

Questions :

- (a) Define a monopoly and state its main features.
- (b) Why MUL is called a monopoly? Does it enjoy monopoly in car manufacture?
- (c) In what way do customers suffer from monopoly practices of MUL?

MBCP 1002

M.B.A. DEGREE EXAMINATION, DECEMBER 2023.

First Semester

Common Paper

MANAGERIAL ECONOMICS

(2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (5 × 4 = 20 marks)

Answer any FIVE questions.

1. State the Nature of the Firm.
2. Show the Importance of Demand Forecasting.
3. Interpret the Determinants of Cost Function.
4. Distinguish between Business and Market Risk.
5. Mention the Characteristics of Perfect Competition.
6. Cite few examples of Product Markets.
7. Inspect the Causes of Inflation.
8. Infer the Advantages of Foreign Direct Investment.

PART B — (5 × 8 = 40 marks)

Answer any FIVE questions.

9. Discuss the General Foundations of Managerial Economics.
10. Elucidate Production Functions in the Short and Long Run.
11. Elaborate the different Market Structures with example.
12. Classify the Types of Price Discrimination and examine the Conditions needs to be fulfilled by the Firms to adopt Price discrimination Strategies.
13. Appraise the Models of National Income Determination.
14. Categorize the Types of Elasticity of Demand.
15. Describe the Phases in Business Cycle with examples.
16. How LPG Concept impacts the Indian Business? Discuss the LPG Reforms in India.

PART C — (1 × 15 = 15 marks)

Answer the following.

17. Case Study : Compulsory.

Maruti Udyog Ltd (MUL) enjoys monopoly in spare parts. Along with dealers, MUL is exploiting Maruti vehicle users. Often the vehicle user has to change the clutch plate twice in six months and has to pay Rs. 3,567/-. MUL charges the price of clutch at imported cost while clutch plate is actually made by Clutch Auto Private Ltd. at Faridabad. The replacement of a silencer costs Rs. 800/-. The cost of spare parts and repairs by any reckoning is three to four times compared to Ambassador or Fiat. A random sample indicates that every eighth car has faulty clutch. In the context of defective parts and exorbitant cost of repairs, saving in fuel in Maruti as compared to other auto makers is of little consequence. Maruti vehicle users in dilemma they cannot get spare parts or get their cars repaired except through Maruti Udyog or its authorized dealers. But both charge huge amounts, not giving guarantee for a single day. MUL is thus, indifferent to the genuine grievances of its customers.