

Total No. of Questions : 5]

SEAT No. :

P1270

[Total No. of Pages : 2

[4470] - 102

M.B.A. (Semester - I)

102 : ECONOMIC ANALYSIS FOR BUSINESS DECISIONS
(2013 Pattern)

Time : 2½ Hours]

[Max. Marks :50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Each question has an internal option.
- 3) Each question carries 10 marks.
- 4) Figures to the right indicate marks for that question/sub question.
- 5) Your answers should be specific and to the point.
- 6) Support your answers with suitable live examples.
- 7) Draw neat diagrams and illustrations supportive to your answer.
- 8) Use of calculator is permitted (as applicable).

Q1) a) Explain how Profit or Value Maximization objectives predict the behavior of a firm more accurately than other objectives. [5]

b) What might be the objective (s) of the following non-profit organizations:[5]

i) A Museum

ii) Critical Care Unit of a Hospital

OR

c) Explain how firms and individuals participate and interact in the product Market and in factor market. [10]

Q2) a) State various features of Oligopoly and explain price rigidity with the help of kinked demand curve. [10]

OR

b) Explain Income Elasticity of demand with suitable examples. [5]

c) Explain market experiment method and regression technique of Demand forecasting. [5]

Q3) a) How is Marginal Cost different from incremental cost? [5]

b) how are Sunk Costs treated in business decision making? [5]

OR

c) In what areas can a firm use 'insurance' to reduce risk. [4]

d) Define Risk, uncertainty and expected value. [6]

P.T.O.

Q4) a) Capital is a 'sine qua non' for economic development. Briefly summarize the importance of Capital Market in the process of economic development. [10]

OR

b) What are the functions of a Central Bank of India? How do they differ from the functions of other banks? [10]

Q5) a) Discuss the WTO agreement embodying the results of the GATT Uruguay Round. [10]

OR

b) What is the importance of National Income estimates to a country? [5]

c) Explain PPP in International trade. [5]

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