GAYATRI VIDYA PARISHAD COLLEGE OF ENGINEERING FOR WOMEN
(Autonomous)
(Affiliated to Andhra University, Visakhapatnam)
II B.Tech. - I Semester Regular Examinations, Nov – 2025
MANAGERIAL ECONOMICS
(CSE (AI&ML) Branch)

Subject Code: 24HM11RC01   **SCHEME OF VALUATION**   **R-24**

1 a. Define Economics. Explain its Wealth, Welfare, and Scarcity definitions-7M

- Economics definition-**1M**
- Wealth definition-**2M**
- Welfare definition-**2M**
- Scarcity definition-**2M**

b. Differentiate between Micro and Macro Economics-7M
- Macro Economics : **3M**
- Micro Economics: **4M**

2a) MANAGERIAL ECONOMICS:-7M

- Definition-**2M**
- Block diagram-**2M**
- Nature Of Managerial Economics: **3M**

b. Explain its relationship with other disciplines.-7M

Each discipline **1M**= **1*7=7M**

3a) State and explain the Law of Demand. Are there any exceptions to the law?-7M
- Definition of demand:**1M**
- Law of Demand-**2m**
- Graph-**1m**
- Exceptions to the Law of Demand-**3m**

b. Describe the Elasticity of Demand and its types.-7M
- Elasticity of demand:-**2M**
- Types of Elasticity: **4M & 1M** For formulae

4 a. Explain briefly various statistical methods of Demand Forecasting-7M

- Survey Method-**2M**
- Statistical methods: -**3M**
- Other methods: **2M**

b. Explain the Law of Diminishing Marginal Utility and list out the limitations.-7M

- Definition and example -**2m**
- Graph -**2m**
- Limitations of the law of diminishing marginal utility-**3M**

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5 a. Describe the importance of Production Function in decision-making.-7M
Importance of the production function in decision-making
- Each importance **1M=1*7=7M**

b. If sales is 10,000 units and selling price Rs.20 per units, variable cost Rs.10 per unit and fixed cost is Rs.80000, find out BEP in units and in sales revenue. What is profit earned? What should be the sales for earning a project of Rs. 60000?-7M

Contribution per unit=selling price per unit- variable cost per unit=20-10 =10rs-**1M**
Contribution ratio=contribution per unit/selling price per unit=10/20=0.5-**1M**
BEP in units= fixed cost/contribution=80000/10=8000units-**1M**
BEP in sales revenue=fixed cost / contribution ratio= 80000/0.5=1,60,000RS-**1M**
Total sales revenue= total sales * selling price=10000*20=2,00,000.-**1M**
Total variable cost=10000*10=1,00,000
Profit =total sales revenue- total variable cost-total fixed cost= 2,00,000-1,00,000-80,000=RS20000-**1M**
Sales for target profit=(fixed cost + target profit)/ contribution=1,40,000/10=14000 units.-**1M**

6 a. Write a short note on Fixed Cost, Variable Cost and Opportunity Cost with examples
- Fixed cost: 2M
- variable cost: 2M
- opportunity cost:3M

b. Discuss about Economies and Diseconomies of Scale.-7M

- Internal Economies-3M
- External Economies-2M
- Diseconomies of scale-2M

7 a. Discuss the features of Perfect Competition-7M
Each feature **1M=7*1=7M**

b. What are the various popular pricing practices? Which of them are most suitable for a firm facing competition?-7M

- Penetration pricing **-2M**
- Cost-plus pricing-**1M**
- Competitive pricing-**1M**
- Value-based pricing-**2M**
- Price skimming-**1M**

8 a. Differentiate between Monopoly and Monopolistic Competition-7M

Monopoly differences-**3M**
Monopolistic differences-**3M** & Examples-**1M**

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b. Explain Pricing over the Life Cycle of a Product-7M

- Stages-**1M**
- Skimming-**2M**
- Penetration-**2M**
- Competitive pricing-**2M**

9a. Define Business Cycle and explain its characteristics.-7M

- Definition -**2M**
- Characteristics of Business Cycles-**5M**

b. Discuss the phases of a Business Cycle-7M

- Phases -**4M**
- Graph -**3M**

10 a. Suggest measures to overcome problems arising from Business Cycles. 7M
- Demand-Side Policies-**4M**
- Supply-Side Policies-**3M**
b. Write a short note on Inflation and Deflation.-7M
- Inflation-4M
- Deflation-3M