

**Code No: 741AB****JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****MBA I Semester Examinations, May - 2022****BUSINESS ECONOMICS****Time: 3 Hours****Max.Marks:75**

**Answer any five questions  
All questions carry equal marks**

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- 1.a) Explain about Managerial Economics. Compare Traditional Economics with Managerial Economics.
- b) What are the Economic Principles in Business? Briefly explain:  
i) Marginalism and  
ii) Equi-Marginalism Principles. [7+8]
- 2.a) What is Incremental Principle Concept? What is the role of a Managerial Economist?
- b) Define Risk and Uncertainty. What are the differences between them? [8+7]
- 3.a) What is Law of Demand? Give any three definitions of Law of Demand. What are the criteria for Good Demand Forecasting?
- b) What is Law of Supply? What are its assumptions? Draw Market Supply Curve. [8+7]
- 4.a) What is Elasticity of Demand? Briefly explain Price, Income and Cross Elasticity of Demand? Wherever possible, explain the same with the help of graphs.
- b) Briefly explain Individual Demand Function and Market Demand Function with formulae. Calculate the Present Value, where the rate of interest is 15% p.a., Principal is Rs.200/- and the period is 1 Year. [8+7]
- 5.a) What are Isoquants? What are the types of Isoquants? What are the properties of Isoquant Curves?
- b) What are the Laws of Returns to Scale? What are the Laws of Returns to Factors? Explain them briefly. [7+8]
- 6.a) What are Economies of Scale of Production? Briefly explain Internal and External Economies of Scale.
- b) What are Diseconomies of Scale? Explain. [8+7]
- 7.a) Define Market. What are the features of Monopoly market?
- b) What are the types of Market Structure? Explain. [8+7]
- 8.a) Give a brief description of Business Environment. Briefly explain Macro Economic Analysis based on PESTEL Model.
- b) Elaborate on Industrial Policy of 1991. Give your critical view on the same. [8+7]

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