Register No.:   ……………………………   Name.:   ………………………………………………………………

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)
(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)
FIRST SEMESTER MBA DEGREE EXAMINATION (S), FEBRUARY 2023
(2021 Scheme)

Course Code: **21MBA107**

Course Name: **Business Economics**

Max. Marks: **60**   **Duration: 3 Hours**

PART A
(Answer all questions. Each question carries 2 marks)
1.   What is Business Economics?
2.   What is derived demand? Give an example.
3.   Define Production function.
4.   Illustrate product differentiation with the help of an example.
5.   Explain the term 'open market operation'.

PART B
(Answer any 3 questions. Each question carries 10 marks)
6.   A firm is into the business of supplying uniform to a leading Autonomous business school in Kerala. In 2022, the company received an order from this business school to supply uniforms with two options. The first option is to give a flat 10 % discount and get the payment immediate after supply of uniform. The second option is to receive the payment within 3 months of the date of supplying uniform. The prevailing rate of interest is 7 % in the market. Identify the principle in economics which helps the firm to decide which option should be accepted.
7.   How consumers are arriving equilibrium under the ordinal approach of utility?
8.   Illustrate in detail the concept of 'Economies of scale' with suitable examples.
9.   Explain the pricing and output decisions under monopoly.
10. Critically analyze the effectiveness of Monetary Policy in India.

PART C
(Compulsory question, the question carries 20 marks)
The Following tables are extracted from a manufacturing unit

11.

Quantity	0	1	2	3	4	5	6	7	8	9	10
Variable Cost	---	50	90	110	120	150	200	260	340	460	600

a)   By assuming Fixed cost as 100 , You are required to calculate
   *) Total Cost
   *) Average Fixed Cost
   *) Average Variable Cost

-) Average Cost
-) Marginal Cost   (10 Marks)

b)   Explain the various cost and Output relationship with suitable diagrams   (6 marks)

c)   What would be the profit at 8th Unit of quantity, if the selling price is Rs.60/Unit   (4 marks)

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