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**School of Finance and Commerce****Master of Business Administration in Financial Management****Mid Term Examination - Nov 2023****Duration : 90 Minutes****Max Marks : 50****Sem I - H1PE102T - Managerial Economics**General Instructions*Answer to the specific question asked**Draw neat, labelled diagrams wherever necessary**Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Explain the law of demand along with its assumptions. K2 (2)
- 2) How does managerial economics help a manager in decision making? K1 (3)
- 3) Explain the different kinds of demand. K2 (4)
- 4) Explain the managerial theory of the firm and its relevance in the modern business contexts. K2 (6)
- 5) Identify how managerial economics contribute to strategic decision making in an organisation. K3 (6)
- 6) Identify the law of variable proportions along with the three stages of production graphically. K3 (9)
- 7) Classify the concept of production function and determine in what way it models the relationship between inputs and outputs in a firm's production process. K4 (8)
- 8) Analyze the satisfying theory and its significance in managerial decision making. K4 (12)

**OR**

Suppose a firm's production function is given by the Cobb-Douglas form:  $Q = A * L^{0.6} * K^{0.4}$  Where: Q is the total output. A is the total factor productivity. L is the quantity of labor. K is the quantity of capital. Let's assume that A is 10, L is 100, and K is 25. Calculate the firm's total output (Q) using the Cobb-Douglas production function. K4 (12)