

**BONAM VENKATA CHALAMAYYA INSTITUTE OF TECHNOLOGY & SCIENCE  
(AUTONOMOUS)**

*I – MBA I - Semester Supplementary Examinations (BR23), February - 2026*

**MANAGERIAL ECONOMICS (MBA)**

Time: 3 hours

Max. Marks: 70

**PART - A Answer ONE Question from each UNIT (5 x 12 = 60 Marks)**

**All Questions Carry Equal Marks**

**PART - B Compulsory (1 x 10 = 10 Marks)**

**PART -A**

<b>UNIT-I</b>		<b>Marks</b>	<b>CO</b>	<b>BL</b>
1.a)	Explain the concept of Time Perspective.	6M	CO1	BL2
b)	Describe the significance of Theory of Firm.	6M	CO1	BL2
<b>OR</b>				
2.a)	Discuss the Incremental Reasoning in Managerial Economics.	6M	CO1	BL2
b)	Demonstrate the nature and scope of Managerial Economics.	6M	CO1	BL2
<b>UNIT-II</b>		<b>Marks</b>	<b>CO</b>	<b>BL</b>
3.a)	Explain the exceptions of Law of Demand.	6M	CO2	BL2
b)	Describe the concept of demand and supply.	6M	CO2	BL2
<b>OR</b>				
4.a)	Describe the functional relationship in demand function.	6M	CO2	BL2
b)	Explain different types of demand.	6M	CO2	BL2
<b>UNIT-III</b>		<b>Marks</b>	<b>CO</b>	<b>BL</b>
5.a)	Illustrate the factors for Production Function.	6M	CO3	BL2
b)	Outline the Cost-Output relationships.	6M	CO4	BL2
<b>OR</b>				
6.a)	Explain the Cobb-Douglas production function with its assumptions.	6M	CO3	BL2
b)	Illustrate the significance of Cost reduction and Control.	6M	CO4	BL2
<b>UNIT-IV</b>		<b>Marks</b>	<b>CO</b>	<b>BL</b>
7.a)	Discuss the price determination under Oligopoly competition.	6M	CO5	BL2
b)	Explain about Nash Equilibrium and Prisoner's Dilemma.	6M	CO5	BL2
<b>OR</b>				
8.a)	Describe about Game Theory Basics in Pricing.	6M	CO5	BL2
b)	Distinguish between Perfect Market and Imperfect Market.	6M	CO5	BL4
<b>UNIT-V</b>		<b>Marks</b>	<b>CO</b>	<b>BL</b>
9.a)	Define Inflation? Explain different types of Inflation.	6M	CO6	BL2
b)	Describe the importance of Theory of Employment.	6M	CO6	BL2
<b>OR</b>				
10.a)	Compare and contrast between Inflation and Deflation.	6M	CO6	BL4
b)	Explain the concept of Macro Economics.	6M	CO6	BL2

**PART – B**

**CASE STUDY**

Marks	CO	BL
10M	CO3	BL4

- 11 Green Tech Solutions is a company that manufactures solar panels for residential and commercial use. Over the past three years, the company has faced challenges in maintaining profitability due to rising production costs and increasing competition. The management is concerned about the declining profit margins and wants to explore cost-reduction strategies while maintaining product quality. The production manager analysed the cost structure and identified the following trends. Fixed costs, including factory lease and equipment maintenance, constitute 30% of total costs. Variable costs, including raw materials and labor, have increased by 20% due to supply chain disruptions and rising wages. The production process currently operates at 70% capacity, leaving 30% of the manufacturing facility underutilized. The sales team reported that customers are sensitive to price changes, and reducing product prices to match competitors could further strain the company's profit margins. Green Tech is now considering ways to optimize production efficiency and reduce costs to remain competitive in the market.

**Questions:**

1. Suggest strategies Green Tech could adopt to improve production efficiency and reduce underutilization of its manufacturing facility.
2. Recommend a cost-effective pricing strategy that balances competitiveness and profitability.

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