



Seat No. _____

**MBA Semester-I(C.B.C.S) Examination
January-2013**

CCT-10103 : Economics and Environment for Business

All questions are compulsory and carry equal marks

Total Hours: 3

Total marks: 70

- Q.-1** Explain any seven
- (a) Value system
 - (b) Micro environment
 - (c) Mission
 - (d) Product development
 - (e) Price elasticity
 - (f) Cross elasticity
 - (g) Opportunity cost
 - (h) Inferior goods
 - (i) Profit maximization

Q.-2(a) What is business environment? Explain the significance, nature and types of business environment.

Q.-2(b) Evaluate the new industrial policy 1991.

Or

Q.-2(a) Explain social and demographic environment in detail.

Q.-2(b) Explain the law of diminishing marginal returns and provide an example of this phenomenon.

Q.-3 Why is it important to state a managerial objective? Could the assumption that the managers' objective is profit maximization be useful even if their real objective is maximizing market share?

Or

Q.-3 Provide examples of managerial decision that might reduce profit for the next five years, but would increase the value of the firm. Explain

Q.-4(a) Define the economic environment .Write down the structure and nature of the economy.

Q.-4(b) Differentiate fiscal and monetary policy. Explain the importance of fiscal and monetary policy.

Or

Q.-4(a) What is political and government environment? Explain the functions of the state.

Q.-4(b) Explain the technological leadership and followership in detail.

Q.-5 Suppose that bundle A is preferred to B, C is preferred to D, and D is preferred to B. What can be said about C in relation to B? What about C in relation to A? Are any of the assumptions of the theory of consumer choice violated by these preferences?