

XS-103

010-003103

**M.B.A., (CBCS) Sem.-I Examination
January-2015**

CCT-10103 : Economics & Environment for Business

**Faculty Code : 010
Subject Code : 003103**

Time : 3 Hours]

[Total Marks : 70

Note : All questions carry equal marks.

1. Give short answers (any **seven**) : **14**
- (1) Incremental Principle
 - (2) Consumerism
 - (3) Demand Schedule
 - (4) SLR
 - (5) Market demand equation
 - (6) Law of diminishing returns
 - (7) Economies of scale
 - (8) Incremental innovation
 - (9) Masculine and feminine cultures

2. (A) Firms in oligopoly can either (i) collude or (ii) compete. What will happen in case the firms decide to collude i.e. form a cartel ? Why are cartel arrangements not likely to be stable ? Explain. **7**
- (B) Discuss the fundamentals of Managerial Economics. Explain the scope of Managerial Economics as tools of management decision making. **7**

OR

- (A) Oligopolists are more likely to match the price-cut than a price increase by a competitor. Why ? Explain with the help of examples.
- (B) Discuss the concept of production function with one variable input along with illustrations.
3. Do you believe that profit (or share holders wealth) maximization still represents the best overall economic objective for today's corporations ? **14**

OR

Explain how short run and long run cost functions can be used by firm for profit maximization and cost control decisions. Support your answer with diagrams.

4. (A) What are the functions of World Trade Organisation in promoting World Trade ? 7
- (B) What are the tools of monetary policy ? Analyze the objectives of monetary policy 7

OR

- (A) What is EXIM policy ? What steps is the government taking to promote exports of Indian goods and services ?
- (B) What measure does the central bank take to control inflation ? Explain the impact of this change on business environment.
5. Take the example of any Indian company in the insurance sector and do its SWOT analysis and Porter's five forces model analysis. 14
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