



I Semester M.B.A. Degree Examination, Jan./Feb. 2018  
 (CBCS Scheme)  
 (2014-15 and Onwards)  
**MANAGEMENT**

**Paper – 1.1 : Economics for Managers**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer any five of the following questions :

(5x5=25)

1. What is the difference between Business and Economic Profit and explain with example.
2. Price of a commodity falls from Rs. 6 to Rs. 4, per unit, due to this demand increased from 80 units to 120 units. Find the price elasticity of demand.
3. Explain the features of production Isoquants.
4. Explain the reasons why is long run average cost curve is called as planning curve.
5. Explain, how firms in oligopoly market enjoy the monopoly power using cartel.
6. Given :  $TR = 45Q - 0.5 Q^2$ ,  $TC = Q^3 - 8Q^2 + 57Q + 2$ , find out the level of output at which firm maximise the profit.
7. What are the determinants of equilibrium level of National Income ?

**SECTION – B**

Answer any three of the following questions :

(3x10=30)

8. Explain why indifference curves are negatively sloped, do not intersect each other and convert to the origin.
9. Discuss the degrees of price discrimination practices in domestic and international markets.
10. Explain the preventive and curative measures in managing the ill effect of business cycle.

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11. With the help of following data project the trend sales for the next five years

Year	2013	2014	2015	2016	2017	2018
Sales	120	140	150	170	190	200

**SECTION – C**

**Compulsory :**

(1x15=15)

12. Based on the general features and facilities offered, the Ministry of Tourism, Government of India classifies hotels into 7 categories : five -star deluxe, five-star, four-star, three-star, two-star, one-star and heritage hotels. These apart there are hotels in the unorganised sector that have a significant presence across the country and cater primarily to economy tourists. Encouraged by the boom in tourism and increased spending on leisure, there has been an influx of globally renowned groups by way of joint ventures.

The Premium and Luxury Segment (high-end 5-star deluxe and 5-star hotels) mainly cater to the business and up market foreign leisure travellers and offer a high quality and wide range of services. These constitute about 30 percent of the hospitality industry in India. The Mid-Market Segment (3 and 4 star hotels) offers most of the essential services of luxury hotels without the high costs, since the tax component of this segment are lower compared with the premium segment. The Budget Segment comprises 1 and 2 star hotels, which provide inexpensive accommodation to the highly price-conscious segment of travellers, Heritage Hotels are architecturally distinctive properties such as palaces and forts, built prior to 1950, that have been converted into hotels.

In the face of stiff competition, hotels in Indian have come up with ingenious ways to attract customers. These hotels distinguish themselves with beds bathroom, amenities and complementary breakfast; other facilities may include innovations in food and beverage products, spa, fitness center or other lifestyle facilities. The ongoing revolution in cuisine has been accompanied by innovations such as free standing and niche restaurants.

**Case questions :**

- 1) Do you think the hotel industry is monopolistically competitive ? What all features of the industry are suggestive of the same ?
- 2) Comment on differentiation offered by hotels in India.

