

MBA (GM) Sem.-1 Examination

FC-101

EFM

Time : 2-30 Hours]

January-2025

[Max. Marks : 70

Subject: Economics for Managers

Q-1	A) Define price elasticity of demand and explain with example various price elasticities of demand using diagrams.	14
Q-2	A) Explain the difference between individual demand and market demand. Discuss the factors which brings shift in demand curve. <u>OR</u> B) Explain circular flow diagram and discuss the concept of PPF with an example.	14
Q-3	A) Explain the meaning of competitive firms and discuss i) How competitive firms maximize profits? ii) How competitive firms takes decisions related to shut down vs. exit? <u>OR</u> B) Explain what is monopolistic competition and its characteristics. Also explain short run equilibrium of monopolistically competitive firms.	14
Q-4	A) Define GDP and explain its components. Also explain what is the difference between nominal and real GDP? <u>OR</u> B) What do you mean by CPI and how it is calculated and discuss the problems faced with CPI.	14
Q-5	A) Explain the inverse relationship between inflation and unemployment using Philips curve. Discuss the long run impact of inflation on unemployment.	14