**JAIPURIA INSTITUTE OF MANAGEMENT INDORE**

**PGDM; FIRST TRIMESTER (Batch 2021-23)**

**END TERM RE-IMPROVEMENT EXAMINATION, FEBRUARY-2022**

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| Course Name | **Managerial Economics** | Course Code | **ECO 101** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:** All questions are compulsory.

**Question 1**.

Suppose a new breakfast cereal is launched in the market. Comment what all factors will affect the demand of the new brand of cereal?

**[10 Marks]**

**Question 2.**

Comment on the following values of elasticities:

1. Price elasticity of demand of Good A = - 5
2. Income elasticity of demand for a 3 BHK Flat = + 10
3. Cross price elasticity for a new brand of electric vehicle is = + 3
4. Advertisement elasticity for a water purifier brand = + 0.5
5. Cross price elasticity with respect to data plan for subscription to a telecom operator = - 1.5

**[10 Marks]**

**Question 3**.

1. Comment in which market advertisement on mass media, after sale services are most applicable. Also cite other features of this market. Add a few examples too.
2. Comment in which market the seller has the maximum control over pricing. Cite other characteristics of this market. Also add a few examples.
3. Comment in which market structure seller has no control over price? Also cite other features of this market. Add a few examples too.
4. Comment in which market structure seller can exercise a little command over pricing by bringing some differentiation to his/her products/services? Give examples. Explain other characteristics of this market.

**[10 Marks]**

**Question 4.**

1. Differentiate between Economies of Scale and Economies of Scope
2. Differentiate between Production in Long Run and Short Run
3. Differentiate between Fixed Cost and Variable Cost with examples.
4. Differentiate between Implicit Cost and Explicit Cost with examples.

**[10 Marks]**

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