GNANAM SCHOOL OF BUSINESS
Wisdom in Business
AUTONOMOUS

Reg. No.:

Question Paper Code :214103

MBA DEGREE EXAMINATION APRIL/ MAY 2026

First Semester

BA4103- Managerial Economics

(Regulation: 2021)

Time : 3 Hours | Answer ALL Questions | Max. Marks 100

PART-A (10 x 2 = 20 Marks)

1. Define scarcity.
2. Explain the concept of Production Possibility Frontier (PPF).
3. State the law of demand.
4. Describe consumer equilibrium.
5. List the types of market structures.
6. Explain the concept of firm's equilibrium.
7. Name the components of national income.
8. Summarize the circular flow of income.
9. Identify causes of inflation.
10. Define unemployment.

11. **Part – B (5 x 13 = 65 marks)**

1. a) Discuss the concepts of scarcity and efficiency and how they influence economic decision-making.

OR

b) Summarize the concept of Production Possibility Frontier (PPF) and its role in explaining economic growth and stability.

12. a) Explain the determinants of demand and supply and how they influence market equilibrium.

OR

b) Describe consumer equilibrium and the role of indifference curves in consumer decision-making.

13. a) A firm operates in a perfectly competitive product market where many sellers offer identical products. The firm cannot influence price and must decide output based on cost conditions.

Analyze how equilibrium output and profit are determined under perfect competition.

OR

b) A firm employs different combinations of labour and capital to produce output efficiently. The firm must decide optimal input usage under given cost constraints.

Examine how factor combinations influence production decisions and cost efficiency.

14. a) An economy experiences a rise in consumption and investment due to improved consumer confidence. As a result, aggregate demand increases significantly.

Illustrate how an increase in aggregate demand affects national income.

OR

b) Government increases its expenditure on infrastructure projects, leading to higher employment and income generation across sectors.

Apply the concept of multiplier to explain the increase in national income.

15. a) A country is experiencing high inflation along with rising unemployment, creating a challenging economic situation. Policymakers are concerned about the breakdown of the traditional inflation-unemployment trade-off.

Analyze the relationship between inflation and unemployment using the Phillips Curve.

OR

b) The central bank reduces interest rates to increase money supply and stimulate economic growth. However, inflationary pressures begin to emerge in the economy.

Examine how changes in money supply affect inflation and output in the economy.

PART C (1 X 15 = 15)

16. a) An economy is experiencing continuous inflation due to rising production costs such as wages and raw material prices. Businesses are passing these increased costs onto consumers, leading to higher price levels across sectors. At the same time, economic growth is slowing down, creating concern among policymakers.

Evaluate the causes and impact of cost-push inflation on economic growth and employment. Suggest suitable policy measures to control inflation.

OR

b) A country is facing high unemployment due to technological advancements and automation, which have reduced the demand for labour in several industries. While productivity has increased, job opportunities have declined, affecting income levels and consumption.

Appraise the impact of technological unemployment on the economy and propose appropriate policy measures to improve employment and economic stability.