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**I Semester M.B.A. Degree Examination, August/September 2021
(CBCS Scheme)
(2014-15 and Onwards)
MANAGEMENT**

Paper – 1.1 : Economics For Managers

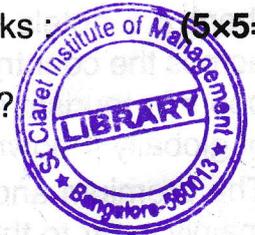
Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following. **Each** question carries **five** marks : **(5×5=25)**

1. What are the different kinds of Economic decisions of a firm ?
2. Explain the features of production Isoquants.
3. What is price elasticity ? As a result of 10 percent fall in price of goods, its demand rises from 100 units to 120 units. Find out the price elasticity of demand.
4. Distinguish between extension of demand and increase in demand.
5. Briefly explain cyert and march behavioral theory of firm.
6. Briefly explain modern theory of rent .
7. Distinguish between GNP and GDP.



SECTION – B

Answer **any three** questions. **Each** question carries **10** marks. **(3×10=30)**

8. Analyze the conditions under which a firm would be in a position of equilibrium in the short run and long run under perfect market competition. Discuss and show with the help of suitable diagrams.
9. From the following data project the trend value of export sales for the year 2021.

Years	2014	2015	2016	2017	2018	2019	2020
Export Sales (Units)	120	140	150	170	190	200	227

10. Discuss the degrees of price discrimination practices in domestic and international markets.

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11. Explain the producer's equilibrium position with the help of Isoquants curve.

SECTION - C

Compulsory Question :

(1×15=15)

12. **Case study :**

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 unorganized 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 travelers 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 travelers. 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 :

- a) Do you think the hotel industry is monopolistically competitive ? What all features of the industry are suggestive of the same ?
- b) Comment on the differentiation offered by hotels in India.
- c) Do the strategies help in increasing demand ?