Register No: ____________________

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

UG/PG DEGREE END SEMESTER THEORY EXAMINATIONS, APRIL-MAY 2026

First Semester

MBA Department

PMBT2403- MANAGERIAL ECONOMICS

Regulations - 2024

Duration: 3 Hrs. ***Maximum: 100 Marks***

*PART – A (ANSWER ALL QUESTIONS) (Marks 10*2=20)*

Q.No	Questions	BTL	CO	Marks
1.	Define scarcity in economics.	L1	1	2
2.	What is meant by a positive externality?	L1	1	2
3.	What is meant by price elasticity of demand?	L1	2	2
4.	Explain economies of scale.	L2	2	2
5.	What is meant by a perfectly competitive market?	L1	3	2
6.	Define factor market.	L1	3	2
7.	What is meant by the circular flow of income?	L1	4	2
8.	Outline the multiplier effect in macroeconomics.	L2	4	2
9.	Explain about Okun’s Law in macroeconomics.	L2	5	2
10.	Define monetary policy.	L1	5	2

*PART – B (ANSWER ALL QUESTIONS) (Marks 5*16 = 80)*

Q.No		Questions	BLT	CO	Marks
11.	a	Explain the concept of the Production Possibility Frontier (PPF) with the help of a diagram. How does it illustrate the problems of scarcity, choice, and opportunity cost?	L2	1	16
		Or			
	b	Discuss the role of government in correcting market failures arising from externalities. Use examples of both positive and negative externalities in your answer.	L2	1	16
12.	a	Explain the determination of market equilibrium using demand and supply curves. How do changes in demand and supply affect equilibrium price and quantity?	L3	2	16
		Or			
	b	Discuss the relationship between production and cost functions. Explain how short-run production affects short-run cost curves.	L3	2	16

13.	a	Explain the major characteristics of different market structures. How do they affect a firm's pricing and output decisions?	L3	3	16
		Or			
	b	Discuss how factor prices are determined through the interaction of demand and supply in a perfectly competitive factor market.	L3	3	16
14.	a	Explain the determination of national income using the aggregate demand and aggregate supply approach. Illustrate macroeconomic equilibrium with a diagram.	L3	4	16
		Or			
	b	Discuss the role of fiscal policy in managing aggregate demand. How can fiscal tools be used to combat inflation and unemployment?	L3	4	16
15.	a	Explain the short-run and long-run trade-off between inflation and unemployment using the Phillips Curve. How is this trade-off different in the long run?	L4	5	16
		Or			
	b	Discuss how equilibrium is achieved in the money market through the interaction of money demand and money supply. What role does monetary policy play in maintaining this equilibrium?	L4	5	16

****