



GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2017-19.)
MID TERM EXAMINATIONS (TERM - II)

Subject Name: Managerial Economics

Time: 01.30 hrs

Sub. Code: PG13

Max Marks: 20

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries Case Study of 8 marks (two questions 4 marks each). Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.**

SECTION - A

04+04 = 08 Marks

Q. 1: Case Study: CNG Vehicles Have Arrived

CNG has grown into one of the major fuel sources used in car engines globally. In all, more than 28 CNG models are in production globally by Audi, Fiat, Ford, Honda, Hyundai, Lincoln, Mercedes-Benz, Opel, Peugeot, Renault, Toyota and Volkswagen. Some of the countries have taken big lead in this field; Pakistan top of the list with more than 60% vehicles running on CNG, followed by Armenia (32%).

The main factors causing this rapid growth include the current energy crisis, increasing environmental awareness, and the price differential between CNG and petrol. A look at the prices will make the point more clear. In India CNG costs are at Rs. 39 per kg compared with Rs. 65 per liter of petrol. Although India has only 5 % of its vehicles running on CNG but New Delhi is home to the largest fleet of CNG public transportation vehicles in the world, because the use of CNG is mandated for the public transport system of New Delhi. Consumer throughout the country are following suit. Automakers are currently vying for marketing positions to further India's efforts for CNG conversion.

Questions:

- What is the relation between the demand for CNG and Petrol? What will be the impact on demand for CNG if price of petrol decline?
- In your opinion what could be the reason for difference in usage of CNG in India and Pakistan? What more information do you need to give a conclusive answer?

SECTION - B

02×03 = 06 Marks

Question 2: “Managerial Economics bridges the gap between economic theory and business practice”. Explain with examples.

Question 3: Which variables are relevant in your opinion, for forecasting demand for following products?

- Cement
- Toothpaste
- Text book
- Electricity

P.T.O.

Question 4: Distinguish between a shift in demand curve and movement along a demand curve.

SECTION - C

03×02 = 06 Marks

Question 5: Briefly explains the principles of Economics which helps in effective managerial decision making.

Question 6: You have been recently promoted as general manager sales of a multinational company producing various consumer goods. As a part of your responsibilities you have been given a target of increasing market share. But the Board of Directors wants high profits. Whereas looking at competition you know the price reduction is necessary to increase demand. What will you do and why?