

Code : 1P1102

ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET  
(AUTONOMOUS)

MBA I Semester Supplementary Examinations, June 2012

MANAGERIAL ECONOMICS

( For students admitted in 2011-12 )

Time: 3 hours

Max Marks: 60

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PART-A

4 X 12 = 48

*Answer any FOUR of the following  
All questions carry equal marks*

1. Define managerial Economics. Illustrate how it helps in solving problems.
2. What are the behavioral theories of the firm?
3. Explain the meaning of opportunity cost and its importance, applications and limitations?
4. Evaluate survey based demand forecasting methods with appropriate examples.
5. Discuss the economies of scale that accurate a firm.
6. Explain the features of short-run average cost curve and long-run average cost curve.
7. What is profit? Explain the theories of profit.

PART-B

12 Marks

*Compulsory Question***CASE STUDY**

Maruti Udyog Limited is a classic example of monopoly in spare parts, servicing, repairs, etc., along with its authorized dealers, the MUL is looting the Maruti Vehicle user. Often one has to change the clutch plate twice in six months and pay Rs. 3,567. Maruti Udyog charges the price of clutch at imported cost while clutch plate is actually made by Clutch Auto, Pvt. Ltd. at Faridabad.

The replacement of silencer costs Rs. 800. The cost of spare parts and repairs by any reckoning are three to four times compared to Ambassador or Fiat.

A random sample indicates that every eighth car has faulty clutch. In the context of defective parts and exorbitant cost of repairs, saving in fuel in Maruti as compared to other makes is of little consequence.

Maruti Vehicle users are in dilemma. They cannot get spare parts or get their car repaired except through Maruti Udyog or through its authorized dealers. But both charge fantastic amounts and do not give guarantee even for a day. Maruti Udyog is thus callous to the genuine grievances of its customers.

**QUESTIONS:**

- a) Define a monopoly. State the main features of a monopoly.
- b) Why is Maruti Udyog called a monopoly? Does it enjoy monopoly in car manufacture?
- c) In what ways does a customer suffer because of Maruti's monopoly?

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Code : IP1104

ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET  
(AUTONOMOUS)

MBA I Semester Supplementary Examinations, June 2012

BUSINESS ENVIRONMENT AND LAW

( For students admitted in 2011-12 )

Time: 3 hours

Max Marks: 60

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PART-A

4 X 12 = 48

Answer any FOUR of the following

All questions carry equal marks

1. Explain how social and cultural environment influences the business.
2. Evaluate the recent fiscal policy of Government.
3. What are the objectives of monetary policy?
4. Give a detailed account of features of Indian Financial System.
5. What are the essential elements of valid contract?
6. What are the salient features of Sale of Goods Act-1930?
7. Explain the characteristics and classification of companies.

PART-B

12 Marks

Compulsory Question

CASE STUDY

The SPA on behalf of Lotus, Microsoft and Word perfect conducted a surprise raid on two branches of a property management company on the west Coast for alleged violation of software copy right laws. Although the company had a policy against software copying, employees of the company were violating software copyright laws and hence the company is likely to face criminal charges.

In a separate case, Lotus and Novell filed criminal charges against a married couple in Singapore after the pair was found guilty of trademark and copy-right infringement in a civil suit. The software companies obtained a court order freezing \$ 90,000 in personal assets belonging to the couple, who reportedly sold thousands of illegal copies of software throughout Asia.

QUESTIONS:

- a) If a company has a well publicized written documents outlining its policies against software piracy that company should be protected from infringement liabilities. In such a case if an employee is caught violating software piracy policies, the employee should be sued, not the company. Discuss.
- b) The personal possessions of an individual should not be taken even if that individual is found guilty of ethical violations. Discuss.

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