

7 NOV 2024

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination - 2024
Semester: PG I MBA Insurance
Subject: Managerial Economics

Instructions:

1. Attempt any five questions
2. Non scientific calculators are allowed
3. All questions carry equal marks
4. Follow the examination hall protocol

Q.1) a) The modern theory of the firm makes a distinction between the 'principal' and the 'agent' of the firm. The former's goal is 'value maximization' and latter's 'profit maximization'. Distinguish between the two entities and the two goals.

b) Distinguish between Dynamic and Innovation theories of profit. Which one would find more suitable for insurance sector. (Marks 12+8=20)

Q.2) 'Crop damage caused by flood has affected wheat production in India and created agrarian distress'. Graphically represent and explain the impact of this on price and quantity changes in the short run and the long run by using the concept of elasticity. How do you analyse the suitability of crop insurance schemes in reducing the distress the above mentioned and other extreme climatic conditions. (Marks 10+10=20)

Q.3) a) You are given the following data for variables X and Y. Estimate the regression equation given as $Y = a + bX$ and estimate the demand when X is 18:

X	3	6	8	10	13	13	13	14
Y	8	6	10	12	12	14	14	20

b) Explain how price consumption curve is different than income consumption curve. (Marks 12+8 = 20)

Q.4) a) What are the distinguishing features of oligopoly? How oligopolists make cartels and why cartels are unstable?

b) Which market uses third degree of price discrimination as a very common pricing practice and how, illustrate with an example? (Marks 14+6=20)

Q.5) a) 'Gross Domestic Product is not a perfect indicator of economic development', analyze this statement.

b) Economists have observed that fiscal policy has a more direct effect on insurance sector than monetary policy. Explain how? (Marks 10+10=20)

Q.6) Briefly explain the contribution of Insurance in achieving Sustainable Development Goals. (Marks 20)

