



LUUPDATE

Lucknow University MBA (LUMBA)

First Semester Examination, 2026

(New Syllabus w.e.f. July 2026)

QUESTION BANK

Model Question Papers - 5 Sets (Set A - Set E)

MANAGERIAL ECONOMICS

Paper : MBAVAC101 (Value Added Course) - 2 Credits

Time : 3 Hours

Maximum Marks : 70

Answer any five questions. All questions carry equal marks.

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Unit	Topic Coverage
I	Nature and Scope of Managerial Economics; Demand-Supply Framework, Elasticity, Pricing; Demand Forecasting; Marginal Analysis and Optimization; AI enabled demand forecasting; Kautilya's Arthashastra on demand-supply analysis
II	Theory of Production - Production Function, Law of Variable Proportions, Returns to Scale, Economies of Scope; Theory of Cost - Cost Concepts and Cost Curves; AI in production planning and cost control; Arthashastra on labour allocation and production scheduling
III	Managerial Theories of the Firm; Behavioural Theory; Information Economics - Asymmetric Information, Adverse Selection, Moral Hazard, Principal-Agent Problems, Signalling and Screening; Environmental Economics - Externalities, Carbon Pricing, ESG; AI in information asymmetry; Gudhapurusha system
IV	Market Structures - Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly; Pricing and Output Strategies; Price Discrimination; Game Theory Applications; AI based competitive analysis; Arthashastra's classification of state monopolies

V	Macroeconomics for Managers - National Income Analysis (GDP, GVA); Theories of Inflation and Deflation; Monetary Policy and Fiscal Policy; AI platforms used by central banks; Rajya-Prapti and Mulya Niyantrana
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This question bank contains five model question papers (Set A to Set E), each with ten unified 14-mark questions balanced across all five units of the syllabus, prepared for practice ahead of the Lucknow University MBA (LUMBA) First Semester Examination.



LUMBA First Semester Examination, 2026

(New Syllabus w.e.f. July 2026)

MANAGERIAL ECONOMICS

Paper : MBAVAC101 (Value Added Course)

[SET - A]

Time : 3 Hours]

[M.M. : 70

Note :- Answer any five questions. All questions carry equal marks.

Q.1. Explain the nature, scope and significance of Managerial Economics, and discuss how it differs from traditional economics as an aid to managerial decision making. **[14]**

Q.2. Explain the concept of demand and discuss the major determinants of demand for a product, and examine the circumstances under which a shift in the demand curve occurs as distinguished from a movement along it. **[14]**

Q.3. Explain the concept of the production function and distinguish between the short run and the long run production function, bringing out the significance of this distinction for managerial decision making. **[14]**

Q.4. State and explain the Law of Variable Proportions with the help of the concepts of total product, average product and marginal product, and discuss the three stages of production identified under this law. **[14]**

Q.5. Discuss the profit maximization objective of the firm as propounded in traditional theory, and examine the extent to which modern managerial theories have replaced this objective with a broader set of stakeholder objectives. **[14]**

Q.6. Explain the Behavioural Theory of the Firm and discuss how the concept of satisficing behaviour and organizational slack differs from the assumption of rational profit maximization made in traditional theory. **[14]**

Q.7. Explain the meaning and characteristics of Perfect Competition as a market structure, and discuss how price and output are determined by a firm under perfect competition in the short run. **[14]**

Q.8. Explain the meaning and characteristics of Monopoly as a market structure, and discuss how a monopolist determines the price and output that maximizes its profit. **[14]**

Q.9. Explain the concept of Gross Domestic Product and Gross Value Added, and discuss the various methods used to measure national income in an economy. **[14]**

Q.10. Discuss the various theories of inflation, distinguishing between demand-pull inflation and cost-push inflation, and examine the causes typically associated with each. **[14]**

LUMBA First Semester Examination, 2026

(New Syllabus w.e.f. July 2026)

MANAGERIAL ECONOMICS

Paper : MBAVAC101 (Value Added Course)

[SET - B]

Time : 3 Hours]

[M.M. : 70

Note :- Answer any five questions. All questions carry equal marks.

Q.1. Explain the concept of price elasticity of demand and discuss the various methods used to measure it, along with its practical applications in the pricing decisions of a firm. **[14]**

Q.2. Explain the concept of supply and its determinants, and discuss how the interaction of demand and supply determines the equilibrium price and quantity in a competitive market. **[14]**

Q.3. Explain the concept of Returns to Scale and distinguish between increasing, constant and diminishing returns to scale, illustrating each with a suitable example. **[14]**

Q.4. Explain the concept of Economies of Scope and discuss how it differs from Economies of Scale, along with its significance for a multi-product firm. **[14]**

Q.5. Explain the concept of asymmetric information and discuss how it gives rise to the problem of adverse selection in a market, illustrating your answer with a suitable example. **[14]**

Q.6. Explain the concept of moral hazard arising out of asymmetric information, and discuss the methods that firms and insurers adopt to mitigate the problem of moral hazard. **[14]**

Q.7. Explain the meaning and characteristics of Monopolistic Competition, and discuss the role of product differentiation and selling costs in the price and output decisions of a firm under this market structure. **[14]**

Q.8. Explain the meaning and characteristics of Oligopoly as a market structure, and discuss why price rigidity is often observed under oligopoly with the help of the kinked demand curve. **[14]**

Q.9. Explain the concept of deflation and discuss its causes and consequences for an economy, distinguishing it from disinflation. **[14]**

Q.10. Explain the meaning and objectives of Monetary Policy, and discuss the various instruments used by a central bank to control the money supply and inflation in an economy. **[14]**

LUMBA First Semester Examination, 2026

(New Syllabus w.e.f. July 2026)

MANAGERIAL ECONOMICS

Paper : MBAVAC101 (Value Added Course)

[SET - C]

Time : 3 Hours]

[M.M. : 70

Note :- Answer any five questions. All questions carry equal marks.

Q.1. Discuss the various methods and techniques of demand forecasting available to a firm, and examine the factors that a manager should consider while selecting an appropriate method for a given product. **[14]**

Q.2. Explain the concept of marginal analysis and discuss how the equi-marginal principle helps a manager in achieving optimization of resources in production and consumption decisions. **[14]**

Q.3. Discuss the various short run cost concepts, such as total fixed cost, total variable cost, average cost and marginal cost, and explain the relationship among the various short run cost curves. **[14]**

Q.4. Discuss the behaviour of the long run average cost and long run marginal cost curves, and examine the concept of the envelope curve as a planning curve for the firm. **[14]**

Q.5. Explain the Principal-Agent Problem and discuss the various mechanisms, such as incentive contracts and monitoring, that may be used to align the interests of the agent with those of the principal. **[14]**

Q.6. Distinguish between signalling and screening as market responses to the problem of asymmetric information, and discuss their significance with suitable examples from the labour market and the insurance market. **[14]**

Q.7. Explain the concept of Price Discrimination and discuss the conditions necessary for a firm to practise it successfully, along with its various degrees. **[14]**

Q.8. Discuss the application of Game Theory to the analysis of pricing and output decisions of firms under oligopoly, with reference to the concepts of dominant strategy and Nash equilibrium. **[14]**

Q.9. Explain the meaning and objectives of Fiscal Policy, and discuss the role of government expenditure and taxation in achieving macroeconomic stability. **[14]**

Q.10. Discuss the growing use of Artificial Intelligence platforms by central banks for the analysis of macroeconomic data, and examine the benefits such tools offer in the formulation of monetary policy. **[14]**



LUMBA First Semester Examination, 2026

(New Syllabus w.e.f. July 2026)

MANAGERIAL ECONOMICS

Paper : MBAVAC101 (Value Added Course)

[SET - D]

Time : 3 Hours]

[M.M. : 70

Note :- Answer any five questions. All questions carry equal marks.

Q.1. Discuss the growing use of Artificial Intelligence enabled tools and techniques in demand forecasting, and examine the advantages that such AI based forecasting offers over traditional forecasting methods. **[14]**

Q.2. Examine the treatment of demand and supply analysis in Kautilya's Arthashastra, and discuss the relevance of this ancient Indian economic thought for modern managerial decision making. **[14]**

Q.3. Discuss the growing use of Artificial Intelligence based tools in production planning and cost control, and examine the benefits that such tools offer to a manufacturing firm in optimizing its resource use. **[14]**

Q.4. Examine the treatment of labour allocation, seasonal production scheduling and quality standards in Kautilya's Arthashastra, and discuss its relevance for modern production planning. **[14]**

Q.5. Explain the concept of externalities and distinguish between positive and negative externalities, and discuss the various measures, including carbon pricing, that may be adopted to internalize negative externalities. **[14]**

Q.6. Discuss the growing importance of Environmental, Social and Governance integration in the objectives of a modern firm, and examine how it modifies the traditional profit maximization objective. **[14]**

Q.7. Discuss the growing use of Artificial Intelligence based tools for competitive analysis by firms operating in digital markets, and examine the implications of algorithmic pricing for competition. **[14]**

Q.8. Compare the price and output determination process under Perfect Competition and Monopoly, and examine the implications of each market structure for consumer welfare. **[14]**

Q.9. Examine the concept of Rajya-Prapti as described in ancient Indian economic thought, and discuss its relevance for understanding the sources of state revenue in a modern economy. **[14]**

Q.10. Examine the concept of Mulya Niyantrana as described in ancient Indian economic thought, and discuss its relevance for understanding modern price control and anti-inflationary policy. **[14]**



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LUMBA First Semester Examination, 2026

(New Syllabus w.e.f. July 2026)

MANAGERIAL ECONOMICS

Paper : MBAVAC101 (Value Added Course)

[SET - E]

Time : 3 Hours]

[M.M. : 70

Note :- Answer any five questions. All questions carry equal marks.

Q.1. Distinguish between income elasticity of demand and cross elasticity of demand, and discuss how a firm may use these concepts while formulating its pricing and product policies. **[14]**

Q.2. A firm's demand schedule shows that at a price of Rs. 50 per unit the quantity demanded is 1,000 units, and when the price falls to Rs. 45 per unit the quantity demanded rises to 1,200 units. Calculate the price elasticity of demand using the arc elasticity method, and discuss the implications of the result for the pricing strategy of the firm. **[14]**

Q.3. A firm's short run total cost function is given as TC equals 200 plus 15Q, where Q denotes the number of units produced. Calculate the average fixed cost, average variable cost and average total cost of the firm when it produces 50 units, and comment on the behaviour of these costs as output increases. **[14]**

Q.4. Explain the relationship between the Law of Variable Proportions in the short run and Returns to Scale in the long run, and discuss why a rational firm must consider both concepts while planning its scale of operations. **[14]**

Q.5. Discuss the growing use of Artificial Intelligence in addressing problems of information asymmetry between buyers and sellers in a market, and examine its implications for adverse selection and moral hazard. **[14]**

Q.6. Examine the ancient Indian system of Gudhapurusha as a mechanism of market intelligence described in Kautilya's Arthashastra, and discuss its relevance for understanding information gathering by firms in modern markets. **[14]**

Q.7. Examine the classification of state monopolies described in Kautilya's Arthashastra, and discuss its relevance for understanding the regulation of monopoly power in the modern economy. **[14]**

Q.8. A monopolist faces a demand function given by P equals 100 minus 2Q, and has a total cost function given by TC equals 20Q. Calculate the price and quantity at which the monopolist maximizes its profit, and compute the amount of profit earned at that level of output. **[14]**

Q.9. Distinguish between the demand-side and supply-side measures adopted by a government to control inflation in an economy, and examine their relative effectiveness. **[14]**

Q.10. In a hypothetical economy, the Gross Domestic Product at current prices increased from Rs. 200 lakh crore in one year to Rs. 220 lakh crore in the following year, while the GDP deflator increased from 100 to 108 over the same period. Calculate the real GDP for both years and determine the rate of real economic growth achieved by the economy. **[14]**

