



I Semester M.B.A. Examination, August 2011
CORPORATE COMMUNICATION AND MANAGERIAL ECONOMICS

Time : 3 Hours

Max. Marks : 80

Instruction : Answer *all* questions from Part – A and answer *any five* questions from Part – B.

PART – A

Answer **all** the questions :

(6×5=30)

1. What is communication and its objectives ?
2. Write short notes on group discussion.
3. State the complaints. Give examples.
4. How many roles and responsibilities of managerial economics ?
5. Explain the various factors of demand forecasting.
6. What is money and banking ?

PART – B

Answer **any five** questions (Case study is **compulsory**) :

(5×10=50)

Case Study :

USA faced its worst economic crisis in the 1930s. The crisis is often described as the Great Depression. The depression lasted for a decade, and affected the entire economy. The reason for the depression can be traced back to the 1920s. When there was great inequality in the distribution of wealth, and heavy speculation on the stock market in USA. Though the GDP increased from \$74.3 billion in 1923 and \$89 billion in 1929, the top 0.1% of Americans had a combined income equal to the income of the bottom 42% of the population. The top 0.1% of Americans in 1929 controlled 34% of all savings, while 80% of Americans had no savings at all. The owner of the Ford Company, Henry Ford was reported to have a personal income of \$14 million in the same year when the average personal income was \$750. The reason for this disparity can be traced back to the wages being paid. Though productivity increased in all the sectors of the economy, wages did not increase proportionately. Thus the increase in profit was not shared between the employer and employees, and meant an increase in income disparity.

P.T.O.



There was a great increase in speculation in the late 1920s, with larger sums being invested in the stock market than ever before. Stock prices rose at a tremendous rate and some investors became rich overnight by buying and selling stocks with the economy booming, goods were available on credit, and middle class people started having goods on credit and with instalment payments. This increased the demand for goods in the market, and producers increase productions. But as wages did not increase, the purchasing power of people slowed down and demand began to fall. Poor demand led to reduction in the volume of production and a number of employees were thrown out of their jobs. This trend was widespread, and soon 25% of the population was unemployed. The situation became worse when the prices of agricultural products went down and farmers are unable to repay their loans. All these factors led to fall in the stock market. The economy started to recover during the Second World War. During that time USA supplied arms to the countries involved in the war. Moreover, the USA had enlisted more than 10 million men and women into the military. Many people also worked in factories to make the supplies for the war. In this way the economy started growing gradually, as employment was generated in the economy.

Questions :

7. Discuss the reason for the Great Depression in the US in the 1930s. (**Compulsory**)
 8. Differentiate verbal and nonverbal communication.
 9. Briefly explain business letters briefly.
 10. Write short notes on elasticity of demand.
 11. Describe market structure.
 12. Explain corporate environment.
 13. What are the different phases of Business Cycle ?
-