



MEASI INSTITUTE OF MANAGEMENT CHENNAI-14

Approved by All India Council of Technical Education and
Affiliated to the University of Madras, ISO 9001:2015 Certified Institute

CASE STUDIES

MANAGERIAL ECONOMICS

Case Study Number	1
Level of Teaching	L2
Program Outcomes Covered	PO1, PO2, PO4, PO5, PO6, PO7
Course Outcome Covered	C505.3

The Indian mobile handset market is projected to grow by 25 per cent by volume in 2011 to 210 million units as against 151 million handsets as on December 31, 2009, with smart phones contributing sales of nearly 12 million units in 2011, Nokia is still the most selling brand with a 56% market share but it is losing its market share due to the emergence and gradual popularity of androids and smartphones., availability of local brands like Spice and Micromax and shift in Indian consumer preference for more features. Nokia is all set to uphold itself as a trustworthy brand by adopting multiple strategies. It's time we leverage our market position and brand. We will sell several low cost dual SIM handsets with features like camera and radio which are much in demand, says Shiv Kumar the managing director and vice president for Nokia India while launching a new series of smartphones.

QWERTY is one of the fastest growing mobile phone categories in the world due to the rise in messaging and social networking. In order to cash in on the growing demand of QWERTY phones, Nokia on Thursday January 21, 2011, launched its new handset Nokia X2-01 with its low price, colorful designs and optimized messaging ability. The Nokia X2-01 makes it easy to set up chat and send emails directly and superfast access to Ovi mail, Ovi chat and more. This handset will help in democratizing the use of QWERTY keypads to Indian consumers: it will be available at Rs.4,459.

Question's:

1. In our opinion what is the objective of Nokia in introducing the new series of phones? Elaborate with relevant theory.
2. Do you agree that Growth maximization with managerial discretion is more suitable for public limited companies like Nokia?



MEASI INSTITUTE OF MANAGEMENT CHENNAI-14

Approved by All India Council of Technical Education and
Affiliated to the University of Madras, ISO 9001:2015 Certified Institute

Case Study Number	2
Level of Teaching	L2
Program Outcomes Covered	PO1, PO2, PO4, PO5, PO6, PO7
Course Outcome Covered	C505.3

Aston Martin, the car immortalized by the superspy James Bond, is the latest entrant into the Indian ultra-luxury car market. In 2011 alone, this is the fourth super car to be launched in India after the Rs.4.5 crore worth Maybach in Feb., the Rs.12.5 crore-Koenigsegg Aggera in March and the Rs.1.4 crore Maserati in early April. The top – end of the Indian luxury car market is already crowded with more than two dozen models carrying a price tag of over Rs.1 crore.

Aston Martin has added nine more to the array of super luxury cars: among them One-77 at Rs.20 crore, is the priciest car to be launched in India. As for the rest of the models priced between Rs.1.4 -2,6 crore, Lalit Choudhury, Managing Director, Performance cars, the dealer of Aston Martin in India said they expect to sell 30 units this year.

The company has sold just 55,000 cars in its 97 year history and about 5000 cars year to the richest across Europe, the US and Asia. The company expects to sell a quarter of its cars to Asian and Middle Eastern countries in the next five years.

Question's:

1. Do you think Aston Martin car presents an exception to the law of demand? If yes, explain the particular exception and draw a corresponding (hypothetical) demand curve.
2. Explain consumer behaviour in the case of such high priced cars, by comparing them with other similar products.