JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIRST TRIMESTER (Batch 2025-27)
END TERM EXAMINATIONS, OCTOBER 2025
SET-II

Course Name	**Managerial Economics**	Course Code	**20401**
Max. Time	**2 hours**	Max. Marks	**40 MM**

INSTRUCTIONS:

a. Read the article below and answer the questions that follow.
b. All questions are compulsory.
c. All questions carry equal (5) marks.

Binge Listening vs Box Office: Market Forces in India's Audio and Cinema Industries.

(Mint, September 22, 2025)

India's audio streaming industry, once constrained by thin subscription bases and overlapping music catalogues, is witnessing a breakthrough with the rise of audio series—scripted, episodic spoken-word shows. Platforms like Pocket FM and Audible are driving this trend, especially in tier-2 and tier-3 towns, where demand is growing rapidly. Audio series resemble television dramas, structured for binge listening. They include audiobooks, audio dramas, and exclusive platform-owned intellectual property (IPs). According to a Pocket FM report, 49% of listeners consume more than 10 episodes daily, with 60% treating them as a leisure-time companion while others listen while commuting, working, or doing household chores. Exclusivity and original IPs differentiate platforms and provide defensibility. Pocket FM's Vineet Singh highlighted that without exclusivity, monetization and premium pricing become difficult.

Romance and drama dominate, with fantasy emerging as the third most-preferred genre globally. Shailesh Sawlani, Country Manager of Audible India, emphasized that audio storytelling builds emotional connections and feels familiar to Indian audiences accustomed to serialized television. Popular Audible titles include Marvel's Wastelanders: Star-Lord (Hindi Edition), Ravan Rising with Ishaan Khatter and Sanjay Dutt, Kaali Awaazein narrated by Amitabh Bachchan, and Thriller Factory with Anurag Kashyap, Nawazuddin Siddiqui, and Tabu. Upcoming Harry Potter Full Cast Audio Editions are already creating global anticipation.

The demand side is outpacing supply, as the production ecosystem is nascent. Platforms are scaling up by commissioning thousands of hours of scripted content across genres. Deloitte's Chandrashekar Mantha noted that marketing efforts across digital and radio will be crucial for growth.

While audio platforms are exploring new demand, India's cinema industry is grappling with pricing challenges. On 12 September 2025, Karnataka implemented a cap on movie tickets at ₹200. Earlier, initiatives like Cinema Day priced tickets at ₹99, which boosted footfalls for select films such as Zara Hatke Zara Bachke and Article 370. However, repeated discounts have reduced novelty, with diminishing returns as audiences begin to expect lower prices. Trade experts warn that price caps and discounts dent revenues by 30–40%. Multiplexes face high operating costs and depend heavily on opening weekend collections, particularly in the Hindi belt, where cinema-going is already infrequent. Bhuvanesh Mendiratta of Miraj Entertainment noted that one-size-fits-all pricing is unsustainable in a diverse market. Rahul Puri of Mukta Arts argued for dynamic pricing, allowing premium cinemas to charge more while also offering affordable options to price-sensitive audiences.

In contrast, South Indian states such as Tamil Nadu, Andhra Pradesh, and Telangana, where ticket prices are capped at consistent, affordable levels, see higher family attendance—three to four times a month. Experts like Yusuf Shaikh, CEO of Janta Cinema, believe that reasonable and consistent pricing, rather than deep discounts, encourages the cinema-going habit. Overall, India's entertainment landscape reflects contrasting pricing dynamics: audio platforms using exclusivity and content differentiation to monetize rising demand, while cinemas struggle to balance regulated caps, consumer affordability, and sustainability through pricing strategies.

Questions

Q.1. Explain why audio series are gaining popularity among tier-2 and tier-3 consumers using the law of demand. Also, using a supply-demand diagram, analyze the effects on equilibrium price and content availability. (BTL 2/3: CO1)

Q2. Compare the impact of regulated ticket pricing in Karnataka with the relatively free pricing approach in other markets. Evaluate which system better balances consumer welfare and industry sustainability. (BTL 4: CO1)

Q.3. The case highlights that the production ecosystem for audio series in India is still nascent, with platforms scaling up by commissioning thousands of scripted hours. Using the concept of short-run vs long-run costs, analyze how increasing scale of production may affect the average cost of producing audio series. (BTL 3: CO2)

Q.4. Multiplexes in the Hindi belt face high business costs and depend heavily on opening weekend collections. Using the concepts of fixed and variable costs, analyze why multiplex owners struggle to lower ticket prices compared to low-cost theatre chains such as Janta Cinema. (BTL 3: CO3)

Q.5. Identify the market structure that best describes the audio streaming segment (Pocket FM, Audible) and justify with case evidence. (BTL 3: CO3)

Q.6. In a highly competitive audio streaming market with many small players, some platforms are reporting losses in the initial months. Using the concepts of contribution margin and shutdown point, analyze how the level of competition in the market influences a platform's decision to continue production or temporarily shut down operations. (BTL 3: CO3)

Q.7. Discounted ticket schemes (₹99 on Cinema Day) and capped tickets (₹200 in Karnataka) indicate attempts at different pricing strategies. Using the theory of price discrimination, explain whether such practices qualify as first-degree, second-degree, or third-degree price discrimination. (BTL 3: CO3)

Q.8. If you were managing a multiplex in Karnataka, design a pricing strategy that ensures affordability for consumers while sustaining profitability for the cinema. (BTL 5: CO3)