

## **MANAGERIAL ECONOMICS** **(Old & New Course) : Dec. 2010-11**

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**Old Course**

*Maximum Marks : 70*

*Minimum Pass Marks : 25*

**New Course**

*Maximum Marks : 90*

*Minimum Pass Marks : 32*

**Note :** Attempt any five questions. All questions carry equal marks.

### **UNIT - 1**

1. Explain the characteristics and objectives of Managerial Economics.

**OR**

Discuss the concept of "Opportunity, Cost" and "Time Perspective".

### **UNIT - 2**

2. Define business cycles. Describe trade cycle theories.

**OR**

Write a note on any one of the following :

- (a) Uses of Trade Cycles
- (b) Concept of Measurement of National Income

### **UNIT - 3**

3. Distinguish the objectives (economic vs non-economic objectives) of business firms in developing country like India.

**OR**

Define "Profit". Explain the concept of "Accounting vs Economic Profit". <http://prsuonline.com>

### **UNIT - 4**

4. How investment decisions are made under "Certainty" ? Explain with examples.

**OR**

Write a note on any one of the following :

- (a) Methods of Capital Budgeting
- (b) Risk vs Uncertainty

### **UNIT - 5**

5. Distinguish both of the following :
  - (a) Cost of Debt vs Average Cost of Capital
  - (b) Average cost of capital vs Weighted cost of Capital.

**OR**

Write an essay on 'Cost of capital and its determination'