

MANAGERIAL ECONOMICS **(New Course) : Dec. 2012-13**

Time : 3 Hours]

[Maximum Marks : 90

[Minimum Pass Marks : 32

Note : Attempt all the five questions. All Questions carry equal marks. Write precise answer. Strictly follow word limit.

UNIT - 1

1. "Managerial economics is economics applied in decision making" _ Discuss. (max-500 words)

OR

Write a note on the nature and scope of managerial economics.

UNIT - 2

2. Describe the 'turning points' and the factors responsible for them in the business cycles.

OR

Explain the concept of national income and discuss its relevance to business.

UNIT - 3

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3. How far is profit maximisation the basic objective of a firm? What are the reasons for limiting profit.

OR

Distinguish between 'Accounting profit & economic profit. (Max words-400)

UNIT - 4

4. Explain the need for capital budgeting ? (Maximum words - 400)

OR

Define the concepts of Risk and uncertainty ? What is the role of uncertainty in investment decision.

UNIT - 5

5. How do you calculate the cost of preference capital

OR

What is opportunity cost ? Give example of opportunity cost.