

## **MANAGERIAL ECONOMICS**

### **(New Course) : Dec. 2013-14**

**Time : 3 Hours]**

**[Maximum Marks : 90**

**[Minimum Pass Marks : 32**

**Note : Attempt all the five questions. All Questions carry equal marks.**

#### **UNIT - 1**

1. Define Managerial Economics. Explain the application of economics in decision-making.

**OR**

Discuss the objectives of Managerial Economics. Explain the role and responsibilities of managerial economics.

#### **UNIT - 2**

2. Define National Income. Discuss the methods of measurement of National Income with advantages and limitations.

**OR**

What do you understand by Business Cycle ? What are its phases ? Discuss.

#### **UNIT - 3**

3. Explain the concept of profit. How is profit measured for managerial decision-making ?

**OR**

Write notes on the following:

- (a) Aims of Profit Policy.
- (b) Short-term and Long-term profit

#### **UNIT - 4**

4. Write a note on Capital Budgeting.

**OR**

Discuss the various criteria of investment decisions.

#### **UNIT - 5**

5. What is Cost of Capital ? Explain the concept and calculation of weighted average cost of capital.

**OR**

Discuss the factors affecting cost of capital. Explain the method of calculating the cost of retained earnings.

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