



ED-981

Bachelor of Business Administration
3rd Semester Examination, March-April 2021

Paper - I

Managerial Economics

Time : Three Hours] [Maximum Marks : 90

[Minimum Pass Marks : 32

Note : Answer **all** questions. All questions carry equal marks.

Unit-I

1. Define Managerial Economics. Discuss the nature and scope of Managerial Economics.

OR

Describe the applications of economics in Decision-making.

Unit-II

2. What is meant by Business cycle? What are the different phases of a Business cycle?

OR

DRG_76_(2)

(Turn Over)

(2)

Define National Income. Explain different methods of measuring National Income.

Unit-III

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

OR

Explain the objective of Business Firm.

Unit-IV

4. What is meant by Capital Budgeting ? What is the importance of Capital Budgeting in long-term investment decisions ?

OR

Write a note 'Investment decision' under the Risk and Uncertainty.

Unit-V

5. Define Cost of Capital. How will you determine the Cost of Capital ?

OR

Explain the concept of the following :

- (i) Average Cost of Capital
- (ii) Cost of retained earnings