Saintgits College of Applied Sciences, Pathamuttom

II Internal Examination, February 2017

Fourth Semester

Time: 3 Hours B A Corporate Economics Max. Marks: 80

Managerial Economics II

Section A

Answer all the **ten** questions. Each question carries one mark.

1. Risk
2. Positive Zero sum game
3. Economic profit
4. Capital
5. Going rate pricing
6. Optimal strategy
7. Mark up pricing
8. Risk averter
9. Capital budgeting
10. Dominant Strategy 10x1=10 marks

Section B-Answer any eight of the following. Each question carries two marks

1. Mention any two products where price penetration techniques are applied.
2. What do you mean by product line pricing?
3. Distinguish full cost and target pricing.
4. State the importance of capital budgeting.
5. What is uncertainty theory of profit?
6. What are the demerits of innovation theory of profit?
7. State any two limitations of game theory.
8. What is a regret matrix?
9. What is the role of profit in business organisation?
10. Discuss Hawley’s theory of profit?
11. Give any two approaches of capital budgeting.
12. What do you mean by a saddle point?

8x2=16 marks

Section C-Answer any six of the following. Each question carries 4 marks.

1. Explain the elements of decision theory.
2. What are the merits and demerits of resale price maintenance.
3. Discuss the nature of capital budgeting problems.
4. What are the different methods of project profitability?
5. Explain dominant strategy.
6. Evaluate Clark’s theory of profit.
7. Write a note on minimax and maximin strategies in game?
8. ‘In Prisoners Dilemma oligopolists cant reach the best outcome’- Explain?
9. Which are the stages of life cycle of a product? Give diagram.

6x4=24 marks

Section D- Answer any two of the following. Each question carries 15 marks.

1. Discuss the concept of game theory and also explain Nash equilibrium .
2. Critically examine different theories of profit.
3. How decision making is done under certainty and also explain attitudes towards risk.
4. Write a note on capital budgeting.

2\*15=30 marks  
  
 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*