

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate marks.

Q1. Briefly answer any four of the following questions. (4x4=16)

- i) Explain the concept of Transfer pricing .
- ii) Highlight any two objectives of pricing policy.
- iii) Distinguish between going rate pricing and loss leader pricing strategy.
- iv) Explain the significance of Break even analysis.
- v) Distinguish between accounting profit and economic profit.
- vi) A firm incurs a fixed cost of Rs. 4000/- , Variable cost of Rs. 10000/- and total sales revenue is Rs.20000/-. Calculate the Break even point in terms of sales value.

Q2. Briefly answer any four of the following questions . (4x 4=16)

- i) Distinguish between Payback period method and Accounting rate of return method of appraising project profitability.
- ii) Explain any two approaches to determine the size of the capital budget.
- iii) Explain the nature of Capital budgeting decisions.
- iv) Write a note on ' Cost of equity capital'.
- v) Explain the concept of Prisoners dilemma.
- vi) Distinguish between the concepts of risk premium and risk adjustment.

Q3A. What are the general considerations involved in formulating a pricing policy ? (12)

OR

Q3 B. Explain the concept of Dual pricing and Full cost pricing methods. (12)

Q4.A. Discuss the various profit limiting factors of a business enterprise . (12)

OR

Q4 B. Explain the technique of Break even analysis with the help of a break even Chart. (12)

Q5 A. Discuss the various factors influencing capital budgeting decisions . (12)

OR

Q5B. Write notes on :

(6x2=12)

- i) Sources of funds for long term financing.
- ii) Social cost benefit Analysis

Q6 A. Discuss the various types of sources of business risks ? (12)

OR

Q6 B. Explain the concept of decision making in relation to risk, certainty and uncertainty. (12)

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