



**THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED**

**Q.1. Answer the following short questions: (6x5=30)**

- i. List any five topics that are studied in managerial economics.
- ii. What is cross elasticity of demand for complementary goods and substitutes?
- iii. How do we know if a good is normal, inferior or Giffen?
- iv. Why do we use regression equations in managerial economics?
- v. Explain any two characteristics of Monopolistic Competition.
- vi. Differentiate between Net Present Value and Internal Rate of Return.

**Q.2. Answer the following questions. (3x10=30)**

- a. Describe various types of Elasticity of Demand .
- b. What is Monopoly? Describe how price and output are determined under such market?
- c. Discuss at least two methods of estimating cost of capital giving examples.