Instructions:

     i.   *All questions are **compulsory**, however **internal choice** is available.*
    ii.   *Figures to the **right** indicate **maximum** marks to the question/sub-question.*
   iii.   *Use of calculator is allowed.*

Q1. Answer any **four** of the following: **(4X4=16)**
    a.   What is Cost Plus pricing?
    b.   What is Marginal cost pricing?
    c.   What are the objectives of pricing policy?
    d.   What is role of profit?
    e.   What is breakeven point?
    f.   What is Margin of safety?

Q2. Answer any **four** of the following: **(4X4=16)**
    a.   What is Net Present Value?
    b.   What is profitability index?
    c.   What is payback period?
    d.   What is risk premium?
    e.   What is certainty in business decision?
    f.   What is Nash Equilibrium?

Q3. A) Explain the different types Competition based pricing.   **(12)**

<p align="center">OR</p>

B) Explain the different types of the pricing strategies.

Q4. A) Explain the profit limiting factors.   **(12)**

<p align="center">OR</p>

B) A train carry a maximum of 1, 00,000 passengers per month at a fare of Rs. 450. Variable cost per passenger is Rs. 50 while the fixed cost of Rs. 36, 00,000 per month. Find breakeven quantity, breakeven sales and breakeven percentage of capacity.

Q5.A) Explain the cost of debt, preferred stock, equity capital and cost of retained earnings.   **(12)**

<p align="center">OR</p>

B) Bata footwear is considering two alternative investment proposals. Project A has an initial cost of Rs. 1, 50,000 and Project B has an initial cost of Rs. 1, 30,000. Both the projects have the life of 7 years. Given the opportunity cost of the capital as 10%, determine which of the project is more attractive for the company using Net Present Value method.

Cash Flow (Rs.)		
Year	Project A	Project B
1	44000	25000
2	55000	28000
3	53000	32000
4	45000	40000
5	47000	35000
6	56000	27000
7	50000	23000

Q6. A) Explain the pure strategy game.   (12)

OR

B) Using expected value method find which production plan is preferred?

| Sr. No. | Plan I | | Plan II | |
	Production Per Day (units)	No. of Days	Production Per Day (units	No. of Days
1	400	20	500	10
2	600	60	800	30
3	700	70	900	60
4	800	30	1000	60
5	900	20	1500	40

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