

Particulars	Rs.
Materials used in manufacturing	5,500
Materials used in packing materials	1,000
Materials used in selling the product	150
Materials used in the factory	75
Materials used in office	125
Labour required in producing	1,000
Labour required for supervision of the management-Factory	200
Expenses-Direct-Factory	500
Expenses-Indirect-Factory	100
Expenses-Office	125
Depreciation-Office Building and Equipment	75
Depreciation-Factory	175
Selling Expenses	350
Freight	500
Advertising	125

Assuming that all the products manufactured are sold, what should be the selling price to obtain a profit of 25% on selling price by preparing a cost sheet? (10)

6. Explain any **three** out of **four** : (3×6)
- (i) Absorption costing and its limitations
 - (ii) Fixed budget vs. flexible budget
 - (iii) Dual concept
 - (iv) IFRS

(1000)

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2100

I

Unique Paper Code : 2922101102

Name of the Paper : Accounting for Managers

Name of the Course : **B.A. (H) Business
Economics 2024 (NEP)**

Semester : I

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. There are **six** questions. Attempt any **five** questions.
3. Use of Non-Scientific Calculator is allowed
4. If any assumptions are made while attempting a problem, the same must be stated clearly.

P.T.O.

1. (a) State whether each of the following statements is 'True' or 'False'. Give reasons for the same.

(i) The accounting entity is considered to be separate and apart from its owner.

(ii) Wages outstanding is a nominal account.

(iii) Since the life of the business is assumed to be indefinite, the financial statements of the business should be prepared only when it goes into liquidation.

(iv) Sunk costs are relevant costs.

(v) A Fixed budget is concerned with budgeting of fixed assets.

(vi) Fixed cost per unit remains constant.

(6×2)

(b) Distinguish between Cost Accounting and Management Accounting. (6)

2. From the Following Trial Balance of M/s Tarun Ltd. As on 31.3.2024, you are required to prepare the Trading and P&L Account and Balance Sheet for the year ended 31.3.2024.

(b) The P/V ratio of Delta Ltd. is 50% and margin of safety is 40%. The company sold 500 units for Rs.5,00,000. You are required to calculate:

(i) Break-even point in units and rupees

(ii) Fixed Cost

(iii) Profit at present level of sales

(iv) Desired sales in units to earn a profit of 10% of sales. (8)

5. (a) The standard cost card reveals the following information :

Standard Labour rate 50 paise per hour

Standard hours required per unit 10 hours

Actual data are given below :

Unit produced 500

Standard Hours worked 6000

Actual Labour Cost Rs.2,400

Calculate Labour Cost Variance and Labour Rate variance. (8)

(b) The cost of sale of product A is made up as follows :

Sales for the Year	5,60,000
Tax paid during the Year	40,000
Profit for the current Year after interest and tax	80,000

(10)

4. (a) A Company has an installed production capacity of 100000 units and presently it is working at 70% capacity. As the production capacity increases, cost per unit decreases as follows :

Capacity utilization	Cost per unit (Rs.)
70%	97
80%	92
90%	87
100%	82

The company has received three export orders from different countries as under:

Country A- 5000 units at Rs.55 per unit

Country B- 10000 units at Rs.52 per unit

Country C- 10000 units at Rs.51 per unit

Advise the company whether any or all orders should be accepted or not. (10)

Particulars	Dr. (Rs.)	Cr.(Rs.)
Purchase and sales	3,10,000	4,15,000
Stock of goods on 1.4.2023	50,000	
Cash in hand	2,100	
Cash at bank	12,000	
Tarun's capital		2,88,600
Drawings	4,000	
Rates and taxes	5,000	
Salaries	32,000	
Postage and telephone	11,500	
Salesman Commission	35,000	
Insurance	9,000	
Advertising	17,000	
Furniture and fittings	22,000	
Printing and stationary	3,000	
Motor car	48,000	
Bad debts	2,000	
Cash discounts	4,000	
General expenses	14,000	
Carriage Inwards	10,000	
Carriage outwards	22,000	
Wages	20,000	
Outstanding liability for expenses	11,000	
Sundry Creditors		40,000
Sundry Debtors	1,00,000	
Grand Total	7,43,600	7,43,600

Additional Information :

- Cost of the goods in stock on 31.3.2024 was Rs. 1,45,000.
- Mr. Tarun had withdrawn goods worth Rs. 5,000 during the year.

- (iii) Printing and stationary expenses of Rs. 11,000 relating to the previous accounting year had not been provided in that year but were paid during the current year by debiting the outstanding liability for expenses.
- (iv) Purchases include purchase of furniture worth Rs. 10,000.
- (v) Debtors include Rs.5,000 of bad debts.
- (vi) Creditors include a balance of Rs.5,000 to the credit of LM Corporation in respect of which it has been decided and settled with the party to pay only Rs. 1,000.
- (vii) Sales include goods worth Rs. 15,000 sent out to SM Corporation on approval and remaining unsold on 31.3.2024. The cost of goods was Rs. 10,000.
- (viii) The provision for bad debts is to be created at 5% on Sundry debtors.
- (ix) Depreciate furniture and fittings by 10% and motor car by 20%.
- (x) The salesmen are entitled to a commission of 10% on total sales.

(18)

3. (a) Calculation of Profits is sufficient to determine and explain the performance of a business. Do you agree? What are the objectives of preparing a Cash Flow Statement? Describe the components of a cash Flow Statement as per AS-3 Revised.

(8)

- (b) From the following information calculate the following ratios :

- (i) Debt-Equity ratio
- (ii) Interest Coverage ratio
- (iii) Debt to Total Funds ratio
- (iv) Proprietary ratio
- (v) Return on Investments
- (vi) Capital Turnover ratio

Information :	Rs.
Share Capital	1,60,000
General Reserve	60,000
Profit and loss account	1,00,000
Loan @ 15% interest	2,00,000

P.T.O.

5. Attempt any **two** parts : (2×5=10)

(a) Find the total area between the curve $y = 1 - x^2$ and the X axis over the interval $[0,2]$.

(b) The marginal revenue of a certain commodity is given by $MR = 240 + 0.1x$. Find the demand function.

(c) Evaluate $\frac{d}{dt} \int_{-2t}^t \frac{1}{\sqrt{x^2 + 1}} dx$.

[This question paper contains 8 printed pages.]

~~Your Roll No.~~.....

Sr. No. of Question Paper : 2123

I

Unique Paper Code : 2922101103

Name of the Paper : Mathematics for Business
Economics – I

Name of the Course : **B.A. (Hons.) Business
Economics, 2024(NEP)**

Semester : I

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions. Choice is available within each question.
3. Use of simple calculator and present value tables is permitted.

1. Attempt any **three** parts of this question : (3×6=18)

(a) Solve the following inequalities

(ii) $\ln x + \ln(x - 3) \leq \ln 4$

(ii) $\frac{2x+1}{x+3} > 3$

(b) (i) Show that if x and y are n -vectors, then
 $\|x\| - \|y\| \leq \|x - y\|$.

(ii) State the negation of each of the given statements :

$$x \geq 0 \text{ and } y \geq 0$$

Neither x nor y is less than 5.

(c) (i) Find the slope of the tangent on $f(x) = \frac{3}{x} + 2$
 at $x = 3$.

(ii) Define idempotence of a matrix. If

$$A = \begin{pmatrix} 2 & x \\ 3 & y \end{pmatrix} \text{ is an idempotent matrix, find } x$$

and y .

(c) Determine the value(s) of β for which the system of equations :

$$3x - y + 4z = 3;$$

$$x + 2y - 3z = -2;$$

$$6x + 5y - \beta z = -3$$

is (i) consistent and (ii) inconsistent.

(d) A country produces only two goods X and Y . The

input coefficients matrix is $\begin{bmatrix} 0.3 & 0.6 \\ 0.5 & 0.0 \end{bmatrix}$. The final

demand for X is 10 and for Y is 5. Write down the input output model as a set of linear simultaneous equations and calculate the equilibrium values of X and Y .

(c) The demand and supply functions in a competitive market are $Q_d = 60 - 2p$ and $Q_s = 4p - 16$ respectively. If the government imposes a tax of t per unit on quantity supplied, calculate :

- (i) the tax rate that will maximise tax revenue for the government;
- (ii) the effect on post-tax equilibrium price and quantity of changes in t .

4. Attempt any **three** parts of this question: ($3 \times 8 = 24$)

- (a) If the set of vectors $\{x, y, z\}$ is linearly independent, then check whether the set vectors $\{x + y, x - y, x - 2y + z\}$ is linearly independent.
- (b) (i) For any matrix A , show that $A + A'$ is symmetric and $A - A'$ is skew-symmetric. Also show that any matrix can be written as sum of a symmetric and skew-symmetric matrix.

(ii) If $(x) = x^2 + 2x$, compute $\lim_{x \rightarrow a} \frac{f(x) - f(a)}{x - a}$.

(d) (i) Find all integer roots of the polynomial :

$$g(x) = -2x^3 + 2x^2 + 10x + 6.$$

(ii) Examine the continuity of the function

$$f(x) = \begin{cases} x^3 - 2 & \text{for } x \geq 2 \\ 2 + x^2 & \text{for } x < 2 \end{cases}$$

2. Attempt any **three** parts of this question:

($3 \times 6 = 18$)

(a) (i) Find the domain and all asymptotes for the

$$\text{function } y = \frac{x^2 + 3x + 1}{4x^2 - 9}.$$

(ii) Function f is defined for all x as $f(x) = x^5 + 3x^2 + 6x - 3$. Show that f has an inverse function g and calculate $g'(-3)$.

(b) (i) Find $\frac{dy}{dx}$, if $x^y y^x = k$, where k is a constant.

(ii) Compute the proportional rate of growth of x where $x = \ln(t+1)$.

(c) The selling value V of a commodity is $V(t) = 1 + t^2$ after t years. If the rate of interest is 100% per annum compounded continuously and there is no storage cost, find the optimal holding time for the commodity.

(d) (i) A commodity has a demand curve given by

the function $x = \frac{10-5p}{p}$. Show that demand

increases from zero to an indefinitely large amount as price falls. Find the price at which demand vanishes. Also show that the Total revenue curve is indefinitely increasing but remains smaller than a finite value. Find this value.

(ii) If f and g are differentiable functions of x , then compute $El_x(f+g)$.

3. Attempt any **two** parts of this question : ($2 \times 10 = 20$)

(a) (i) If $p = f(x)$ is a downward sloping demand curve, show that the total revenue curve is concave if f is concave.

(ii) Check the following function $y = x^2 e^x$ for convexity.

(b) For the function $f(x) = x^{5/3} - 5x^{2/3}$ defined over the interval $[-3, 3]$, find :

(i) the intervals where the function is increasing and where it is decreasing

(ii) the inflectional point(s)

(iii) the global maximum and minimum values of f .

[This question paper contains 2 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2069

I

Unique Paper Code : 2922101101

Name of the Paper : Microeconomics-1

Name of the Course : B.A. (H) Business Economics (NEP), 2024

Semester : I

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** Questions. Question 1 is compulsory
3. All questions carry equal marks.

1. Write short note on **any three** of the following :

- (a) Public Goods and its characteristics
- (b) Income and Cross elasticity of demand
- (c) SARP
- (d) Expansion path

2. "The alternatives and choices that a society faces can be best understood through an economic model of production possibility". Elucidate.

P.T.O.

3. "The optimal choice of bundle of a consumer is characterized by the condition that slope of the indifference curve will be equal to the slope of the budget line" Explain.
4. What is income offer curve? How does it look like for perfect substitutes and perfect complimentary goods?
5. Explore the idea of expected utility theory. How do people make decisions when faced with risk, according to the expected utility model? Include an example to clarify your explanation.
6. "When the law of diminishing returns operates, efficient production occurs at or beyond the level of output at which average product equals marginal product and total product is rising". Explain.

6. (a) Define the social welfare functions and explain its role in evaluating the overall welfare. (10)
- (b) Explain the concept of fair allocation as they relate to envy and equity. (8)

(500)

[This question paper contains 4 printed pages.]

Your Roll No. 8023.....

आपका अनुक्रमांक.....

Sr. No. of Question Paper : 1656

I

Unique Paper Code : 2922102301

Name of the Paper : Microeconomics - II

Name of the Course : B. A (H) Business Economics

Semester : III

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
 2. Attempt all parts of a particular question together.
 3. Illustrate your answer with diagram, wherever required.
 4. Attempt FIVE questions in all. Question No. 1 is compulsory.
1. Write short notes on any 3 of the following using appropriate examples and diagrams:

P.T.O.

- a) Excess capacity in Monopolistic competition
 - b) Equilibrium in bilateral monopoly
 - c) Pareto efficient allocation using Edgeworth box
 - d) Prisoner's Dilemma and Dominant Strategy.
 - e) Arrow's impossibility theorem. (6*3)
2. a) How do firms determine their output level in the short run under perfect competition, and how does this differ from long-run equilibrium? (10)
- b) Using diagram explain how perfect competition is more allocatively efficient as compared to monopoly. (8)
3. The market demand for a homogeneous product is given by:

$$P = 300 - Q \text{ where } Q = Q_1 + Q_2$$

Both firms have constant marginal costs:

$$MC_1 = MC_2 = 40$$

- a) Calculate the Cournotequilibrium for each firm, assuming that each chooses the output level that maximizes its profit when taking the rival's output as given. What are the profits for each firm? (10)
 - b) Calculate Stackelbergequilibrium quantities if firm 1 is the leader and firm 2 is the follower. What are the profits for each firm in Stackelberg equilibrium? (8)
4. a) Explain the marginal productivity theory of labour. How does this theory determine the wage rate in a competitive labour market? (10)
- b) Using diagram illustrate the backward-bending labour supply curve. How does it illustrate the trade-off between income and leisure for workers? (8)
5. a) Explain Walras' Law and its implications for the existence of general equilibrium in an economy. (10)
- b) Discuss the first welfare theorem and second welfare theorem as they relate to market efficiency and resource allocation. (8)

[This question paper contains 8 printed pages.]

①

Your Roll No.....

Sr. No. of Question Paper : 1716

I

Unique Paper Code : 2922102302

Name of the Paper : Mathematics for Business
Economics-II

Name of the Course : **B.A (Hons.) Business
Economics, 2024**

Semester : III

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll. No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. Choice is available within each question.
4. Use of simple calculator and present value tables is permitted.

P.T.O.

1. Attempt **any four** questions:

(4 x 8 = 32)

- (a) Show that $x^2 - y^2 = c$, for all values of the constant c lies on the level curve for

$$f(x, y) = e^{x^2} e^{-y^2} + x^4 - 2x^2 y^2 + y^4$$

- (b) Find all the first and second order partial derivatives of the following functions:

(i) $f(x, y) = \frac{3x^2 y}{x^2 + y^2}$

(ii) $f(x, y) = e^{x^2 + y^2}$

- (c) Find the domain of each of the following functions of two variables:

(i) $z = \ln(4x - 6y + 5)$

(ii) $z = \sqrt{16 - x^2 - y^2}$

- (d) A surface is given by $z = x^2 - 2xy + y^2$

Find the equation of the tangent plane to the surface at $x = a$, $y = 2a$

- (e) Let $f(x, y) = \ln(4x^2 + y^2)$

Use a linear approximation of the function $z = f(x, y)$ at $(0, 1)$ to estimate $f(0.1, 1.2)$.

- (f) Given the demand functions of two commodities as:

$$Q_1 = 2000 + \frac{400}{p_1^2} - 50p_2 \text{ and } Q_2 = 2000 + \frac{500}{p_1^4} - 100p_2$$

(i) Find the nature of commodities.

(ii) Calculate the four partial elasticities at $p_1 = 5$ and $p_2 = 1$.

2. Attempt any five questions: (5×8=40)

(a) Find and classify the critical points of the following functions:

(i) $f(x, y) = x^2y + 3xy - 3x^2 - 4x + 2y + 1$

(ii) $f(x, y) = \ln(1 + x^2y)$

(b) Find the absolute maximum and minimum values of the function $f(x, y) = 5 + 2x - x^2 - 4y^2$ defined

over the sample space $S = \{(x, y) | -1 \leq x \leq 3, -1 \leq y \leq 1\}$

(c) Define convex set. Identify which of the following are convex sets:

(i) $\{(x, y) : x^2 + y^2 \leq 16, x^2 + y^2 \geq 4\}$

(ii) $\{(x, y) : xy \leq 2, x \geq 0, y \leq 0\}$

(d) A production function is given by $Q = AL^{\frac{1}{3}}K^{\frac{1}{3}}$, where L and K denotes the factors of production labour and capital respectively:

(i) What is the nature of returns to scale?

(ii) See whether the function is homogenous and verify Euler's Theorem

P.T.O.

(iii) Compute elasticity of substitution of the production function.

(e) A firm under perfect competition produces two commodities X and Y with prices equal to Rs 10 and Rs 15 respectively. If the cost function of the firm is given by $C=2x^2+xy+2y^2$ where x and y denote the levels of the two outputs. Determine the profit maximizing levels of outputs price. What happen if to output & price if sales tax of 10% is imposed.

(f) The Production function is given by $Q = 75 L^{\frac{3}{4}} K^{\frac{1}{4}}$ to where L is the units of labor and K is the units of capital. Each unit of labor costs Rs 100 and each unit of capital costs Rs. 125. If a company has Rs 20,000 to spend, how many units of labor and capital should be purchased to maximise output

at the given cost. Also, verify the second order conditions.

3. Attempt **any two** of the following: (2 x 9 = 18)

(a) Find the solution to the following difference equations:

(i) $2x_t = x_{t-1} + 5, \quad x_0 = 4$

(ii) $x_t + 3x_{t-1} + 3 = 0, \quad x_0 = -1$

(b) Show that $x = Ct - C^2$ is a solution to the differential equation $x^2 = tx - x$ for all values of x.

- (c) Show that $y(t) = te^{-3t} + 4$ is the solution to the differential equation $\frac{dy}{dt} + 3y = 12$. Does it converge to a steady state ?

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 1766

I

Unique Paper Code : 2922102303

Name of the Paper : Corporate Finance

Name of the Course : **B.A. (Hons.) Business
Economics**

Semester : III

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper contains **Seven** questions. Attempt any **Five** questions.
3. **All** questions carry equal marks.
4. Use of a simple calculator and Time Value tables are allowed.

P.T.O.

1. (a) "Financial Management is concerned with the solutions of three major decisions a firm must make, the investment, the financing and the dividend decisions." Explain this statement highlighting the inter-relationship amongst these decisions.
- (b) Mrs. Kaavya is due to receive Rs. 900, Rs. 1300 and Rs. 1500 at the end of 3rd, 7th and 11th years from now. Calculate:
- The sum of the present values of these amounts, if the required rate of return is 12%.
 - The cumulated value of these amounts 20 years-from-now, if the same were re-invested at 15% p.a. immediately after receipt. (10,8)
2. EIH Limited is considering an investment project involving a cash outlay of Rs. 50,000 and having a life of 5 years. The company's opportunity cost of capital is 10% and pays tax at a rate of 50%. Assume project's depreciation on a straight-line basis. The project is expected to generate profit before depreciation as below :

(Figures in Rs.)

Year	1	2	3	4	5
EBIT	30,000	15,000	10,000	25,000	25,000

Evaluate the project based upon the following techniques :

- Payback Period.
 - Net Present Value
 - Profitability Index
 - Internal Rate of Return (18)
3. (a) CSX Machines Limited is considering the purchase of a new machine to replace an existing one that has a book value of Rs. 28,000 and can be sold for Rs. 15,000 immediately. However, its salvage value will be nil after four years.

The proposed machine will perform the same function the old machine is performing; however, improvements in technology will enable the firm to reap cash benefits before depreciation and taxes of Rs. 58,000 per year in materials, labour, and overhead. The new machine has a four-year life, costs Rs. 1,20,000 and can be sold for an expected Rs. 20,000 at the end of the 4th year. Assuming

straight line method of depreciation, a tax rate of 50% and a required rate of return of 10% p.a., should the machine be replaced? Evaluate ignoring any tax on gain/loss on sale of asset.

- (b) Find the working capital requirement of Sriram Ltd. on Cash cost basis upon the following Information :

Production during the year	60,000 units
Selling price	Rs. 50 per unit
Raw material	Rs. 20 per unit
Wages	Rs. 10 per unit
Overheads	Rs. 10 per unit
Raw material storage period	2 months
Work in progress storage period	1 month
Finished good storage period	3 months
Credit allowed by supplier	2 months
Credit allowed to debtors	3 months
Minimum desired cash balance	20,000
Lag in wages and overhead payment	one month

In case of work-in-progress, assume 50% stage of completion stage in respect of all elements.

(10,8)

4. (a) XYZ Ltd. has the following capital structure at book value :

	(Rs. Crores)
Equity Capital (Rs. 10 each)	15
12% Preference capital (Rs. 100 each)	1
Retained earnings	20
11.5% Debentures (Rs. 100 each)	10
11% Term Loan	12.5

The next expected dividend on equity shares is Rs. 3.60 per share, the dividend per share is expected to grow at 7%. The market price per share is Rs. 40.

Preference stock, redeemable after 10 years, is currently selling at Rs. 75 per share. Debentures, redeemable after 6 years, are selling at Rs. 80 per debenture. The income tax rate for the company is 40%.

Calculate the weighted average cost of capital by using

(i) Book Value weights

(ii) Market Value weights.

- (b) What is meant by Cost of Capital? What are its components? How is the cost of retained earnings estimated?

(10,8)

5. (a) ABC Ltd.'s capital structure consists of Rs. 10,00,000 in equity share capital (with shares valued at Rs. 10*0 each) and Rs. 10,00,000 in 10% debentures. The product is sold at Rs. 10 per unit, with variable costs amounting to Rs. 6 per unit and fixed expenses totalling Rs. 2,00,000. The applicable income tax rate is 30%. The company projects a sales increase from 1,00,000 units to 1,20,000 units.

You are required to calculate :

- (i) The percentage increase in earnings per share (EPS);
- (ii) The degree of financial leverage (DFL) at both 1,00,000 units and 1,20,000 units;
- (iii) The degree of operating leverage (DOL) at both 1,00,000 units and 1,20,000 units.
- (iv) Discuss how the operating and financial leverage change with the increase in production from 1,00,000 units to 1,20,000 units.

- (b) XYZ Ltd. has an equity share capital of Rs. 10,00,000, with shares valued at Rs. 100 each. The shares are currently trading at par. The company plans to declare a dividend of Rs. 10 per

share at the end of the current financial year. The capitalization rate for the relevant risk class is 12%. Determine the market price of the share at the end of the year under the following scenarios:

- (i) If no dividend is declared.
 - (ii) If a dividend is declared.
 - (iii) Assuming that the company pays the dividend and has net profits of Rs. 5,00,000 and makes new investments of Rs. 10,00,000 during the period, how many new shares must be issued? Use the MM Model.
- (10,8)

6. (a) The capital structure of ABC Ltd., currently, consists of 5 lakh equity shares of Rs. 10 each and 10% Debentures of Rs. 50 lakhs. Tax rate is 50%.

The Company is planning to raise an additional Rs. 100 lakhs to finance an expansion project, for which, it is considering the following two financing options:

Plan A: Issuing 10,00,000 equity shares at Rs. 10 each

Plan B: Issuing Rs. 100 lakhs worth of debentures with a 14% interest rate.

- (i) If the earnings from the present investments are Rs. 20 lakhs per annum and the same rate of earnings on investment is expected to be earned after expansion, select the suitable plan out of the above options to raise the required funds.
- (ii) Calculate the indifference level of EBIT between the two financing plans suggested above.

- (b) A company anticipates an annual net operating income of Rs. 10,00,000. It currently has Rs. 50,00,000 in 10% debentures, and the overall cost of capital is 12.5%.

Determine the value of the firm and the cost of equity using the Net Operating Income (NOI) approach. Additionally, if the company increases its debt from Rs. 50,00,000 to Rs. 60,00,000, Calculate the new value of the firm. (10,8)

7. (a) 'The goal of financial management is to maximize the wealth of the shareholders.' How does the Walter's model of dividend policy help in achieving this goal? Discuss.
- (b) What is 'conservative approach' to working capital financing? How is it different from the 'hedging approach'? (10,8)

Serial No. of Question Paper : 8632
Unique Paper Code (UPC) : 12481301
Name of the paper : Macroeconomics and Application I
Name of The Course : B.A. (H).Business Economics
Semester : III
Duration : 3 Hours
Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. All parts of each question must be done together.
3. Attempt any **FIVE** questions.

1. a) How does GDP account for the production of goods in their final form over a specific time period, and what are the different components that make up the final demand for these goods? (8)
b) What do you understand by GDP deflator? Explain the concept in detail. (7)
2. Define LM Curve. Graphically derive the LM Curve. What is the impact of expansionary monetary policy on the economy's output and interest rate? (15)
3. (a) A monetary expansion has no effect on output in the medium run under the AD- AS model. Justify your answer. (8)
(b) Show how the natural rate of unemployment, natural level of employment and natural level of output related to each other. (7)
4. (a) Expectation Augmented Phillips Curve says that increase in unemployment rate decreases the inflation rate. Justify. (8)
(b) How is nominal money growth related to output growth, unemployment and inflation in the medium run? (7)
5. Discuss that the new Keynesian economics provides a better explanation of stickiness of wages and prices in the short run. Also using the quantity theory of money examines the links between inflation and economic growth. (15)
6. (a) Explain aggregate supply relation as a relation between inflation, expected inflation and unemployment. (9)
(b) Explain why a firm's decision to opt for a higher mark-up leads to a lower real wage, as indicated by their pricing choices. (6)
7. Write short notes on any **TWO** the following: (7.5+7.5)
 - i. Derivation of IS curve
 - ii. Sacrifice Ratio
 - iii. Real Business Cycle
 - iv. Hyperinflation

Serial No. of Question paper : 8667
 Unique Paper Code : 12481302
 Name of the Paper : Statistics for Business Economics
 Name of the Course : B.A. (Hons.) Business Economics
 Semester : III
 Duration : 3 hrs
 Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top of the paper immediately on receipt of this question paper.
2. Attempt all questions
3. Choice is available within each question. Use of simple calculator and statistical tables is allowed.

1. Attempt any four parts.**[5 x 4]**

The distribution of marks scored by college students is shown below:

Marks	No. of students
0-20	45
20-30	21
30-50	15
50-60	10
60-90	5
90-100	2

- i. Draw a histogram and comment on its shape.
 - ii. Calculate the mean and median.
 - iii. What proportion of students score less than 40 marks and what proportion scores between 55 to 90 marks.
- (b) Find the mean, median and 10% trimmed mean of a sample of test scores obtained by 20 students of the class given below:

88	87	86	66	45	83	13	25	95	92
92	90	69	76	23	49	56	89	19	22

- i. How will the median and the trimmed mean change if the test score of 87 was 78 instead.
- ii. Also, without calculation find out how will the mean change if all students were given 5 grace marks in the test.

P.T.O.

- (c) Construct a box plot for the following data set :
3, 5, 8, 8, 9, 11, 12, 12, 13, 13, 16, 28
- Find the range, inter-quartile range and skewness of the distribution?
 - Also identify outliers if any.
- (d) Let a and b be constants and let $y_i = ax_i + b$ for $i=1,2,3,\dots,n$. What is the relationship between $\bar{x}$ and $\bar{y}$ and between S_x^2 and S_y^2 .
- (e) The first four moments about the value 5 for the distribution are -1, 10, -10, and 153. Calculate the relevant measures to comment on the centre, dispersion, skewness and kurtosis of the distribution.

2. Attempt any six parts.

[5 x 6]

- (a) The distribution of scores of students in GMAT is known to be normal, with 10 percent of all students having a score exceeding 10.25 and 5 percent having a score smaller than 9.67. What are the mean value and standard deviation of the GMAT score distribution?

- (b) Let X be a random variable with pdf given below:

$$f(x) = \begin{cases} cx^2 & \text{for } |x| \leq 1 \\ 0 & \text{otherwise} \end{cases}$$

- Find the constant c so that $f(x)$ is a valid pdf.
- Find $E(X)$ and $\text{Var}(X)$.
- Find $P(X \geq 1/2)$ and $P(X = 0.2)$

- (c) Given a joint pmf as below:

$$P(x, y) = \frac{x(1 + 3y^2)}{k} \quad x = 0, 1, 2 \text{ and } y = 0, 1$$

- For what values of k is $P(x, y)$ a valid pmf?
 - State whether X and Y are independent?
 - Find $E(X)$
 - Find $P(X < 2, Y > 0)$
- (d) Two candidates A and B are competing for the positions on the Board of Directors of a company. The probabilities that A will win is 0.6 and the probability that B wins is 0.4 respectively. If A wins, the probability of introducing a new product is 0.8, and the corresponding probability if B wins is 0.3.
- What is the probability that the product will be introduced?
 - If the new product is introduced, what is the probability that it has been introduced by A?

P.T.O.

- (e) A factory produces on an average 1.5 defects per 100 units of output and the number of defects follows a poisson distribution. What is the probability that the next 600 units show
- less than 5 defects
 - More than 15 defects?
- (f) The wages of workers in an organization are normally distributed with the mean wages as Rs 800 per day and the standard deviation of Rs 200 per day. Find:
- The proportion of workers getting in between Rs 500 to Rs 900 per day?
 - The proportion of workers getting more than Rs 1000 per day?
- (g) Hospital records show that 70% of patients suffering from a disease die due to that disease. What is the probability that out of the 15 randomly selected patients
- 10 recover
 - Atleast 8 recover
 - Atmost 5 die.
- (h) The route used by a certain motorist in commuting to work contains two intersections with traffic signals. The probability that he must stop at the first signal is 0.4, the analogous probability for the second signal is 0.5, and the probability that he must stop at least one of the two signals is 0.6. What is the probability that he must stop
- At both signals?
 - At the first signal but not at the second one?
 - At exactly one signal?

3. Attempt any five parts.

[5 x 5]

- (a) (i) What is meant by the terms 'sample' and 'population'?
(ii) Describe any three desirable properties of a good estimator.
- (b) A random sample of size two is drawn from a population which consists of numbers 4, 5, 6, and 7. Construct a sampling distribution of mean of these samples and find its expected value. How does it relate to the population mean.
- (c) Suppose the sediment density of a randomly selected specimen from a region is normally distributed with mean 2.65 and standard deviation 0.8. If a random sample of 49 specimens is selected, what is the probability that the sample average sediment density
- is at most 2.5?
 - is between 2.25 and 3.25?
- Would your answer change if a sample of 25 was picked instead of 49? Why or Why not.
- (d) The average GPA for 60 students of mathematics at a particular university is 3.4 with a variance of 0.2 and the GPA for 50 students of Physics is 3.5 with a variance of 0.12. Assuming that GPA is a normally distributed variable, test the hypothesis that the GPA of Mathematics students is significantly different from that of Physics students.

P.T.O.

- (e) The mean and variance of a random sample of 64 observations were computed as 160 and 100 respectively.
- (i) Compute the 90% confidence limits for the population mean.
 - (ii) If the investigator wants to be 95% confident that the error in estimate of population mean should not exceed ± 1.4 , how many additional observations are required.
- (f) According to the norms established for a reading comprehension test, eighth graders should average 84.3 with a standard deviation of 8.6. If 16 randomly selected eighth graders from a certain school district averaged 87.8, test the hypothesis that the average is higher than the established norm at 1% significance level.
- (g) The mean yield of a wheat from a district was 210 lbs, with standard deviation to be 10 lbs. per acre from a sample of 100 plots. In another district B, the mean yield was 220 lbs. with standard deviation to be 12 lbs from a sample of 120 plots. Assuming that the standard deviation of the yield in the entire state was 11 lbs., test whether there is any significant difference between the mean yield of crops in the two districts.

intercept term is absent.

- (ii) Testing linear equality restriction in a Cobb-Douglas production function is equivalent to testing of 'returns to scale'
- (iii) In lin-log model elasticity of the dependent variable with respect to the independent variable is given by the slope coefficient β_2
- (iv) Precision of OLS intercept estimator is inversely related to the sample size.
- (v) If error terms are normally distributed, it implies regression parameters are also normal ($6 \times 3 = 18$)

[This question paper contains 8 printed pages.]

Your Roll No.....

आपका अनुक्रमांक.....

Sr. No. of Question Paper : 1686

I

Unique Paper Code : 2922103501

Name of the Paper : Basic Econometrics

Name of the Course : B.A. (H) Business Economics

Semester : V

Duration : 3 Hours — Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any five questions, all questions carry equal marks
3. Use of simple calculator is allowed
4. If any assumption is made while solving a problem, the same must be stated clearly and a note must be mentioned after the answer.
5. Use of statistical tables is allowed.

1. (a) You are given information about five-year data of a firm where profits earned (000) is taken as a function of good produced(million units). The following is given :-

Year	Profits (000)	Goods Produced(million)
2020	60	6
2021	90	5
2022	80	4
2023	70	3
2024	50	2

- (i) Estimate the equation of the linear regression line of Y on X
- (ii) Calculate the residual sum of squares for the regression.
- (iii) What proportion of the variation in Y is explained by X?
- (iv) Test at 5% level of significance whether the slope coefficient is greater than 2.
- (v) Test the overall significance of the model.(4,2,2,3,4)
- (b) Explain the significance of the stochastic error term in the regression model. (3)
2. (a) Total annual gross sales of refrigerators (in thousands) at Co's retail outlet over the last 26 years is regressed upon five explanatory variables with following results:

to the problem above, how many regression equations should the researcher develop if he wants to test whether the relationship amongst the variables has changed or not? Develop these equations considering the information provided above. Also clearly establish the hypothesis and econometric tests involved for the same.

- (iv) Furthermore, his friend pointed out that the researcher just needs a single equation and not multiple equations. Do you agree with the point raised by the researcher's friend. If yes, then develop such an equation clearly specifying the variables that need to be included showing complete details with superscript and subscript.
- (v) How is the model in (iv) an improvement over the model developed in part (iii) above (3, 3, 5,5,2)
6. Comment whether the statements given are correct. Give your own explanations. Include illustrations wherever possible. Do any three.
- (i) Regression equation cannot be determined when

- (iii) Calculate the value of adjusted R^2 .
- (iv) Compute and interpret correctly the 't' values for intercept and slope coefficient for the model. Also comment upon the functional form of the model under consideration.
- (v) Using 'p', show the basic steps involved in transformation of above equation for the removal of autocorrelation. (3,3,2,5,5)

5. (i) Explain what do you understand by the term 'structural break' in time series. Does by including such a break in time series impact the linearity of such a series. Comment

(ii) A researcher wanted to determine whether Covid-19 has resulted in structural break in the relationship between NSE Nifty 50 stock index and the S&P 500 index. The researchers after collecting daily closing prices data on both stock indices and for three years before and three years after covid date were confused about modeling the data. Help the researcher in finding a solution for the same.

(iii) Assuming the researcher was able to find a solution

$$SQ_t = -7.2 + 200.3PC_t - 150.6PQ_t + 20.6Y_t - 15.8C_t + 201.1N_t$$

$$t_{\text{computed}} (0.801) (-1.199) (0.514) (-1.491) (1.937) \\ (\bar{R}^2 = 0.821, DW(d) = 1.023,)$$

where SQ_t = sale of refrigerators at the Co's retail outlet in time t

PQ_t = average price of refrigerators at Co's retail outlet in period t

PC_t = average price of refrigerators at competitors retail outlets in period t

Y_t = India's GDP in period t (billion INR)

C_t = India's aggregate consumption in period t (billion INR)

N_t = number of Co's stores open in period t

- (i) What econometric problems are likely to occur in the above model. What is the likely impact of these problems on the OLS estimators. Justify your answer with proper reasons (4)
- (ii) Give appropriate test (one each) for detection of the above problem(s). (4)
- (iii) Suggest any two remedies for the solution to these problems. (4)
- (iv) Do you think the coefficient of Y_t would change if it was expressed in millions INR instead. Will it also impact on the value of $\bar{R}^2$. Comment (3)

- (b) Can R^2 indicate the correctness of the regression model. Explain your viewpoint (3)
3. A college wants to study for 100 students, the relation between student's Marks obtained in Econometrics paper as the dependent variable and his choice of a computer based SEC paper (Yes/No) as an explanatory variable in addition to average hours of study put in by the student daily.
- (i) What are such models called? Develop a regression model being considered (clearly show all the parameters, variables and relevant subscripts and superscripts in the regression model), interpret the slope of the explanatory variables.
- (ii) Can you add another variable 'attendance' and where college is only concerned whether the student has achieved a minimum $2/3^{\text{rd}}$ attendance or not. Incorporate this variable stating the Null Hypothesis, rewrite the regression and interpret again assuming this too is also significant.
- (iii) Suppose college considers the variable 'attendance' without placing the above restriction and such a variable would signify percentage of classes attended by a student. Show how will this change impact your regression. Also, will the interpretation of slope also change. Discuss (iv) How will you test the hypothesis for the independent variables attendance (in ii above) and average hours studied to be jointly significant and no. of hours studied

- and attendance (as used in iii above). Also state the Null Hypothesis with the help of parameters stated in the equations developed by you for the same.
- (v) Create a new variable by multiplying the above twocategorical explanatory variables mentioned above in point(s) (i) and (ii) above. What is the nature of this new variable, interpret the same for the above equation. Also explain how will this impact the R^2 of the model and overall goodness of the model fit. (3,3,3,5,4)
4. (a) The quarterly expenditure on a car which includes expenditure on petrol, maintenance and repairs (000) for 15 years is modelled as a function of no. of kms travelled and following are the results.
 $R^2 = 0.888$, d computed (DW) = 0.83
- InExp on Car = $22.3 + 0.4881 \text{nkms travel} + u_i$
- S.E (0.13) (0.043)
- (DW table at 5%, $dL = 1.383$, $dU = 1.45$ for $n = 60$, table 't' may be taken as '2')
- (i) Comment on calculated values of DW 'd', write down its formula based upon residuals and compute 'p'(coefficient of autocorrelation). What is the relation between DW 'd' and 'p'
- (ii) Check whether autocorrelation is present in the model? If yes, what is its nature. Conduct test of hypothesis.

Serial No. of Question paper	: 8681
Unique Paper Code (UPC)	: 12487917
Name of the Paper	: Consumer Behaviour and Advertising
Name of the Course	: B.A.(Hons.) Business Economics (BBE)
Semester	: V
Duration	: 3 hours
Maximum Marks	: 75 Marks

Instructions for candidates:

1. Write Roll No. on the top immediately on receipt of this question paper
 2. Attempt any 5 questions. All questions carry equal marks
-
1. Mamaearth, a cosmetic brand had created its own marketplace in India and now the company would like to extend their product line in manufacture of lipsticks. You are a marketing head with the company and you need to design a detailed media plan which would help to reach to target market effectively. (15)
 2. In changing times with an increase in online purchases, marketers need to understand the drivers of consumer satisfaction. Discuss the determinants of consumer satisfaction which help merchants on improving their online platforms to enhance consumer retention? (15)
 3. Amul uses the concept of emotional appeal to sell its chocolate and create a win-win situation for its market and itself. Discuss how the chocolate maker identifies and uses Indian culture and sub cultures to sell its brand. (15)
 4. Describe the major characteristics of the Freudian, Neo-Freudian, and Trait personality theories. Discuss how each theory can be applied to the understanding of consumer behaviour. (15)
 5. Sonia is a fashion designer who has started her entrepreneurial venture of selling western clothing for women of all sizes. Devise a creative brief for her. (15)
 6. Outline the entire consumer purchase decision process for a product of your choice. Identify the needs, sources of information and other attributes that are significant in making the decision to buy or not. Is there a possibility that the consumer may regret his purchase decision? (15)
 7. Write Short Note on **any three** of the following: (5x3)
 - a) Creative Tactics for Television Advertisement
 - b) Integrated Marketing Communication
 - c) Factors affecting media planning
 - d) Media Mix

1939

4

7. Distinguish between any **two** of the following :

- (a) Trademarks and Patents
- (b) Partnership and Company
- (c) Social entrepreneur and corporate entrepreneur

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 1939 I

Unique Paper Code : 2923102002

Name of the Paper : Entrepreneurship (DSE)

Name of the Course : **B.A. (H) Business
Economics**

Semester : V

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions.
3. **All** questions carry equal marks.

1939

2

1. Neelam intends to start her own entrepreneurial venture in AI solutions for working mothers to deal with the growth and development of their kids. She has some funds of her own but needs some manpower to deal with designing websites and marketing the solution. In the light of the above situation advise her on the form of enterprise with justification for your answer.
2. What is a business plan? Explain the steps involved in creating a business plan.
3. Write short notes on the following :
 - (a) Venture capital
 - (b) Copyrights

1939

3

4. Describe the CSR strategies that optimize the impact on Business and Society. Explain evolution of CSR from compliance to sustainable Entrepreneurship.
5. Discuss the steps in market and technical feasibility with examples.
6. Nykaa, as a brand, has already done tremendously well in establishing a market. It aims to expand its services globally and allow international export of products. While it already has Indian customers purchasing international brands, it is looking forward to capturing international customers. Advise the sources of funds that Nykaa can employ for this process.

P.T.O.

SL No of QP : 1942
Unique paper code (UPC) : 2923100008
Name of the paper : International Economics
Name of the Course : B.A (H) Business Economics (NEP), 2024
Semester : V
Duration : 3 Hours
Maximum Marks : 90

Instructions to the candidate

1. Write your Roll No. on the top of this question paper.
2. Attempt ANY FIVE questions in all
3. All questions carry equal marks.

Q1) What is the relationship between opportunity costs and the production possibility frontier of a nation? How does the production possibility frontier look under constant opportunity costs? Visualized graphically how gains from trade can arise under constant cost conditions.

Q2) What is meant by Community Indifference Curve? Show how gains from trade is a combination of gains from exchange and gains from specialization.

Q3) a) What does the Heckscher–Ohlin theory postulate? Which force do Heckscher and Ohlin identify as the basic determinant of comparative advantage and trade?
b) What determines the shape of the production frontier of each nation under H-O theory.

Q4) a) What is meant by economies of scale? How can they be the basis for international trade?
b) What are the two drawbacks of H-O Theory?

Q5) What is an import quota? What are the partial equilibrium effects of an import quota?

Q6) a) Why was there a need to replace GATT with WTO? How did it help a developing country like India?
b) What is meant by export promotion?

Q7) Write short note on any 3 of the following
a) Opportunity costs and its types
b) Factor Intensity
c) Types of Tariffs
d) NAFTA

1940

8

- (i) Random Walk Theory
- (ii) Market Segment theory of term structure of interest rates
- (iii) Attributes of a good investment
- (iv) Free Cash Flow Valuation' approach
- (v) Yield curve (6,6,6)

(500)

[This question paper contains 8 printed pages.]

Your Roll No.....

आपका अनुक्रमांक.....

Sr. No. of Question Paper : 1940

I

Unique Paper Code : 2923100006

Name of the Paper : Investment and Portfolio Optimization

Name of the Course : B.A. (H) Business Economics 2024 (NEP)

Semester : V

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll. No. on the top immediately on receipt of this question paper.
2. Attempt any five questions, all questions carry equal marks
3. Use of simple calculator and Present Value tables is permitted.
4. If any assumption is made while solving a problem, the same must be stated clearly and a note must be mentioned after the answer.

P.T.O.

1. (a) An investor is evaluating two different investment proposals, both offer same potential returns of 13%, 16%, 22%, and 25%, however probabilities associated differ between the two proposals. The probabilities of achieving returns for Proposal I are 0.1, 0.2, 0.3, and 0.4, respectively while for Proposal 2, these are 0.1, 0.4, 0.3, and 0.2, respectively.

Calculate the expected return and risk associated for both proposals. Which one of these projects should the investor undertake if assessment is based upon risk-adjusted returns

- (b) ABC Co. recently paid a dividend of Rs 2 per share. Due to the company's rapid expansion, the dividend is projected to grow at a rate of 20% per annum for the next 3 years. However, after this period, the growth rate is expected to slow down to 7% per annum indefinitely. Considering the investment's risk, a required rate of return of 22% is deemed appropriate. Determine the fair price

Stock /Market	Std. Deviation (%)	Beta	Residual Variance
A	48	?	0.0325
B	?	0.64	0.0722
Market	10	?	-

(10,8)

6. (a) 'The value of a bond is a function of Coupon Rate, Market Rate of Return, Maturity Period and Repayment on Maturity.' Do you agree? Illustrate the relationship between each of these factors and value of a bond.
- (b) Suppose you hold one stock and want to diversify to reduce portfolio risk by adding second stock, what should be the criteria to be followed if you want to achieve a good diversification. Furthermore, can you achieve risk elimination by using the technique of risk diversification. Comment.
- (10,8)
7. Write short notes (giving your own examples and illustrations wherever necessary) on any three of the following:

1940

6

5. (a) The performance of two portfolios, namely A and B and Market is given as under:

	Average Return (%)	Std Deviation (%)	Beta
Portfolio A	10	5	0.5
Portfolio B	12	7	0.4
Market Index	20	15	
Risk Free Rate of Return	6%		
Standard Deviation of the Error term	14%		

- (i) Calculate the Treynor Ratio, Sharpe Ratio, Jensen's Alpha and Information ratio measures for both the Portfolios and the Market.
- (ii) Which Portfolio should the investor buy if he has to choose any one and why?
- (b) Calculate the missing values (?) in the following Table:

1940

3

that an investor should be willing to pay for the Co's shares. (10,8)

2. (a) Explain the Dow theory and Elliot wave theory with the help of a diagram. Explain how the former theory can be used to determine the direction of the stock market?
- (b) A company has a P/E ratio significantly higher than the industry average. What are some possible reasons for this, and how would you determine whether the stock is overvalued or fairly valued based on the P/E ratio. Are there any pitfalls associated with the P/E ratio analysis? (10,8)
3. (a) An investor is considering the purchase of a Bond with Face Value: Rs. 100, Coupon Rate: 11%, Maturity: 4 Years. Determine:
- (i) The maximum price the investor should be ready to pay, if he wants a yield of 13%.

P.T.O.

1940

4

(ii) Calculate the YTM of the Bond, if the Bond is currently selling for Rs. 97.60.

(b) A zero-coupon corporate bond having a face value of Rs. 100 matures after one year and is available today for Rs. 96.35. The yield on a similar Government bond is 4%. If the bond defaults the investors can expect only 60%. What is the probability of default of this bond.

(c) A 7 % 20-year Government Bond has a YTM of 8.5 % and Modified Duration of Bond is 12.66. Show what would be the percentage change in Bond Price if the YTM changes from 8.5% to 9.0 %.

(10,4,4)

4. (a) For the next one year you are expecting stock market to be either normal or slip into recession with the ratio of probabilities of these scenario being 1:2 . You want to form a portfolio of two stock A&B with equal weightage, the following information is provided

1940

5

State of the Economy	R_A	R_B
Normal	8%	-3%
Recession	3%	1%

You are required to compute the following:

(i) Expected return and Variance for stock A and stock B.

(ii) Covariance and Coefficient of Correlation between stock A and stock B.

(iii) Portfolio Return and Portfolio Variance

(b) What is Capital Market Line (CML), Plot the line graphically and write down its equation. What does slope of this line represent. Do you think CML is also the line of capital allocation. Discuss.

(10,8)

P.T.O.

1943

4

(b) ELM model.

(c) Fear as advertising appeal.

(d) Post purchase dilemma.

(500)

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 1943

I

Unique Paper Code : 2923100009 (DSE)

Name of the Paper : Understanding Consumers

Name of the Course : **B.A. (Hons.) Business
Economics (BBE)**

Semester : V

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions.

P.T.O.

1943

2

1. A renowned car brand, Evora, is planning to launch a new luxury model. The car's design is bold and unconventional, targeting a niche market of well-off consumers who value status and exclusiveness. Considering Freudian's theory of personality, discuss the potential roles of the id, ego, and superego in influencing purchasing decisions of the consumers. (18)
2. Neutrogena a company known for its "dermatologist recommended" skin care products, introduced a line of shaving products for men. How can the company use stimulus generalization to market these products? Is instrumental conditioning applicable to this marketing situation? If so, how? (18)
3. Why is an opinion leader more credible source of product information than the advertisement of the same product? Are there any circumstances where the information from advertisements is likely to be more influential than the word of mouth? (18)

1943

3

4. How do some new media enable obtaining better advertising feedback than traditional media? (18)
5. Electric vehicles (EVs) have been gaining significant attraction in recent years. A new EV model is launched in a market with a diverse population. The company has observed that while some consumers are eager to adopt the new technology, others are hesitant. Identify the different types of adopters based on Everett Rogers' Diffusion of Innovation model. (18)
6. (a) Describe the different stages of consumer adoption process. (9)
(b) What are the features of a product that affect its adoption by consumers. Explain with suitable example. (9)
7. Write short notes on any **three** of the following : (18)
(a) Describe any three personality traits of a consumer.

P.T.O.