

Q.1 (A) The following information is available on quantity demanded and income.

$$Q_1 = 60, \quad Q_2 = 70$$

$$\text{Income}(1) = 1000$$

$$\text{Income}(2) = 1200$$

What is the income elasticity of demand?

(B) Suppose a company uses equity, preference stock and debt in the following proportions: 50, 10 and 40.

Q.2 If the component costs of equity, preference stock and debt are 16 percent, 12 percent and 8 percent respectively, what is the weightage average cost of capital?

Q.3 Briefly explain different methods of demand forecasting.

Q.4 For manufacturing a product/service often two or more technologies are available. Discuss the factors which influence the choice of technology by a project.

Q.5 Discuss the pre-requisites for successful project implementation.

Q.6 A realistic appraisal of corporate strengths and weaknesses is essential for identifying investment opportunities which can be profitably exploited. What broad areas and important aspects would you consider if you were assigned to carry out such an appraisal?