Answer any four questions   **10x4=40**

1. Show how managerial economics is related to accounting and operations research.
2. Show how a firm determines the best input combination to produce a given level of output.
3. Establish the relationship between

    (i) AVC and AP

    (ii) MC and MP   5+5

4. Graphically illustrate the state of equilibrium under price discrimination.
5. Describe two approaches for pricing of new products.   5+5
6. Derive the conditions of profit maximisation by a single product firm stating your assumptions. What are the limitations of the profit maximization hypothesis?   5+5