

Dr. Babasaheb Ambedkar Open University
Term End Examination January – 2018

Course	:	DOR	Date	:	23/01/2018
Subject Code	:	DOR-04	Time	:	3:00pm to 6:00pm
Subject Name	:	Other Methods of O.R.	Duration	:	3 Hours
			Max. Marks	:	70

Q-1 Explain the decision tree approach in decision making. **(14)**

OR

Explain about maximax and maximin criteria of decision making.

Q-2 What are the reasons for which risk reducing measures to be used in capital budgeting? **(14)**

OR

What a maximum amount can be paid for obtaining perfect information for forth coming activities?

Q-3 Explain sensitivity analysis as a risk reducing measure in capital budgeting. **(14)**

OR

Explain simulation as a risk reducing measure in capital budgeting.

Q-4 **Write a Short Note:** **(14)**

1. Expected Opportunity loss
2. Expected Value of Perfect Information

Q-5 **Explain the following terms.** **(14)**

1. Complete Certainty
 2. Assumed Certainty
 3. Risk
 4. Uncertainty
 5. Extreme Uncertainty
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