Roll. No:________

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester II Supplementary Examination June 2023
Managerial Economics (CEC 102)

Duration: 2hrs Max. Marks: 80

Instructions:

1) Start each question on a fresh page.
2) All questions are compulsory.
3) Figures to the right indicate maximum marks.
4) Answer sub-questions in Question no.1 and Question no.2 each in not more than 100 words.
5) Answer Questions no. 3 to Question no. 6 each in not more than 400 words.
6) Draw neat diagrams wherever necessary.

Q.1. Write short notes on ANY FOUR of the following. **(4x4=16)**

a) Extend the method of Cyclical Pricing.
b) Explain Administered Pricing.
c) Explain the term Price Forecasting.
d) Extend two Roles of Profit.
e) Distinguish between Normal and Supernormal Profits.
f) Explain any two Approaches to Profit Forecasting.

Q.2. Write short notes on ANY FOUR of the following. **(4x4=16)**

a) Express the Need for Capital Budgeting.
b) Explain any two steps in Capital Budgeting Process
c) Extend the concept of Cost of Preference Share Capital.
d) Discuss any two Sources of Risk in Business Operations.
e) Describe the concept of Nash Equilibrium.
f) Calculate the Expected Value from the data given below;
Firm XYZ has designed its production unit in such a way that it has the capacity to produce everyday output for up to 500 days.

Output per day	Number of days
70	100
30	50
100	10
400	60
500	90
200	60
400	70
200	40

Q.3. A) Summarize the relationship between Price Elasticity of Demand and Pricing. Discuss the objectives of Pricing Policy. (12)

OR

Q.3. B) Explain the Pricing Strategy of Product Life Cycle based Pricing. (12)

Q.4. A) Analyse and calculate the following:`
A doll manufacturing company has the capacity to produce a maximum quantity of 30,000 dolls per month at a price of Rs.600/- per doll. The variable cost per doll is Rs.300/, whereas the fixed cost is Rs.30,00,000/-. Calculate the break-even quantity, break-even sales, and break-even percentage of capacity. (12)

OR

Q.4. B) Describe the meaning and nature of profits. Explain any five profit limiting factors. (12)

Q.5. A) Appraise the process of Social Cost Benefit Analysis. (12)

OR

Q. 5. B-i) Explain the Payback Period Method of Project Evaluation. (12)

B-ii) Assess using Payback Period Method which machine will be selected from the data given below.

A firm intends to purchase a xerox machine. However, in the market, A and B are two machine options available. Each machine involves a price of Rs.50,000. Earnings are as follows:

Year	Cash Flows	
	Machine X	Machine Y
1	20,000	10,000
2	10,000	10,000
3	35,000	20,000
4	10,000	20,000
5	20,000	30,000

Q. 6. A) Summarize the concept of Risk in Decision-Making. Explain the process of Risk Analysis in Business operations. (12)

OR

Q. 6. B) Differentiate between the following with the help of suitable examples. (12)
(i) Maximin and Minimax Strategy
(ii) Pure and Mixed Strategy

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