

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics, Margao-Goa
FY BCOM (Semester II), End Semester Examination, April 2015
Business Economics-Managerial Economics - II

Duration: 2hrs

Max Marks: 80

Instructions :

1. All questions are compulsory
2. Answer questions 1 & 2 in 100 words and questions 3 to 6 in 400 words each.
3. Start each new question on a fresh page
4. Figures to the right indicate maximum marks

- 1) Answer any four of the following briefly. (4x4=16)
- a) List four factors influencing interest.
 - b) Explain any two factors influencing wages.
 - c) Loss leader pricing.
 - d) Depressionary phase of business cycle.
 - e) Administered pricing.
 - f) Customary pricing.
- 2) Answer any four of the following briefly. (4x4=16)
- a) Average cost of capital.
 - b) Safety margin.
 - c) Social responsibility of business to consumers.
 - d) Calculate the break even quantity of output when fixed cost is Rs. 24000/selling price is Rs.12/and AVC= Rs.6/-
 - e) Importance of profit planning.
 - f) Accounting rate of return method.
- 3) a) Explain the various goals pursued by a firm other than profit maximization. (12)
- Or
- b) Explain the full cost pricing and marginal cost pricing methods and list their merits and demerits. (12)
- 4) a) Explain the concept of break –even analysis with the help of a break even chart. (12)
- Or
- b) Outline the uses and limitations of the break -even analysis. (12)
- 5) a) What is capital budgeting? Explain the need for capital budgeting. (12)
- Or
- b) Answer briefly. (6x2=12)
- i. Net profit value index method.
 - ii. Pay back method.
- 6) a) Outline the steps involved in social cost benefit analysis and explain pure public goods and pure private goods. (12)
- Or
- b) Answer briefly. (6x2 =12)
- i. Factors influencing rent.
 - ii. Objectives of pricing policy.