

**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.