

**Vidya vikas mandal's**  
**Shree Damodar College of Commerce and Economics, Margao-Goa**  
FYB.COM, SEM II, SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015

**Business Economics-Managerial Economics - II** (old course)

**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. (4x4=16)

- a) Marginal cost pricing method.
- b) Recessionary phase of a business cycle.
- c) Explain any two factors determining interest.
- d) Price discrimination.
- e) Innovation and risk management bearing as factors determining profit.
- f) List the objectives of pricing policy.

2) Answer any four of the following. (4x4=16)

- a) Accounting profit and economic profit.
- b) Limitations of break even analysis.
- c) Calculate the breakeven point of a firm if its fixed cost =Rs.2, 00,000/, selling price=Rs.200/, average variable cost=Rs.100/.
- d) Pay back method and its merits.
- e) Social responsibility of business to employees and society.
- f) Cost of capital.

3)

- a) What is a product life cycle? Explain with the help of a diagram the different stages of the product life cycle and the pricing strategies a firm needs to adopt in each stages. (12)

Or

- b) List the different pricing methods and explain any two of them with their merits and demerits. (12)

4)

- a) Explain briefly any three theories of wages as factors determining wages. (12)

Or

- b) With the help of a diagram explain the break even analysis and lists its various uses. (12)

5)

- a) Explain the social cost benefit principle and outline the steps involved in social cost benefit analysis. (12)

Or

- b) Explain the importance of capital budgeting for a business firm and also explain the different approaches to capital budgeting. (12)

6)

- a) Answer briefly. (6x2=12)
- i. Trade cycles.
  - ii. Internal rate of return method of appraising project profitability.

Or

- b) Answer briefly. (6x2=12)
- i. Distinguish between public and pure goods.
  - ii. Explain the factors determining rent.