

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.