Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics Margao-Goa

F.Y.B.Com Semester- II, Semester End Examination, April 2019

Managerial Economics (Old Course)

Duration: 2 hours **Max. Marks: 80 marks**

Instructions: *Figures to the right indicate maximum marks.*
Start each question on a fresh page
All questions are compulsory

Q1. Write short notes on (Any 4) (16)

a. Four features of Monopoly.
b. Loss leader pricing.
c. Collusive Oligopoly.
d. Going rate pricing.
e. Customary pricing method.
f. Revenue curves of a firm in perfect competition.

Q2. Write short notes on (Any 4) (16)

a. Safety margin.
b. Sources of business risks.
c. Social cost benefits analysis.
d. Major objectives of the profit policies of the firm.
e. Meaning & nature of profit.
f. Limitations of break even analysis.

Q3. A) Explain how the firms attain equilibrium under monopolistic competition. Explain the importance of selling costs in monopolistic competition. (12)

OR

B) Explain the short run or long run equilibrium of a firm under perfect competition. (12)

Q4. A) Explain the full cost pricing method and marginal cost pricing method and list their merits and demerits. (12)

OR

B) Explain the following (6x2=12)

. i) Market skimming price and market penetration price.

ii) Pricing over the life cycle of the product.

Q5. A) What is Break Even Analysis? Explain the Break Even point with the help of a diagram and list the different uses of BEA.

(12)

OR

B) i) Calculate the break even point in sales units and sales in rupee from the following information (6)

Price per unit Rs. 20/-
Variable Cost
Per unit Rs. 8/-
Total fixed Cost Rs. 12,000/-

P.T.O

B) ii) Calculate the safety margin based on budgeted sales and actual sales in terms of percentage value and money value. (6)

Q6. A) What is cost of capital? Explain the different methods used to estimate cost of capital for projects. (12)

OR

B) Explain briefly (6x2=12)

i) Pay back method of project evaluation.

ii) Profit limiting factors affecting the firms profit.