

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics Margao-Goa  
F.Y.B.Com Semester- II, Supplementary Examination, May/June 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)
- Features of perfect competition.
  - Revenue curves of a firm under monopolistic competition.
  - Administered prices.
  - Market penetration price.
  - Non-collusive oligopoly.
  - Meaning of price discrimination.
- Q2.** Write short notes on (Any 4) (16)
- Accounting profit and economic profit.
  - Any four factors influencing investment decisions.
  - Accounting rate of return method of profit evaluation.
  - Risk and uncertainty.
  - Cost of capital.
  - Calculate the break even quantity of output when the total fixed cost = Rs.18,000/-,  
Selling price is Rs.12 and AVC = Rs.6.
- Q3.** A) Explain the equilibrium of a firm under monopoly. (12)
- OR**
- B). List the features of monopolistic competition and explain the short run equilibrium of a firm under perfect competition. (12)
- Q4.** A) Explain the marginal cost pricing and full cost pricing and list their merits and demerits. (12)
- OR**
- B) Explain the general considerations and objectives of pricing policy. (12)
- Q5.** A) Explain the break even point with the help of a break even chart. (12)
- OR**
- B) What are the various uses and limitations of break even analysis. (12)

**P.T.O**

Q6.A) Explain briefly

(6x2=12)

- i) Net present value method of project evaluation.
- ii) Pay back method of project evaluation.

**OR**

B) Explain the sources of business risk and outline the steps involved in the analysis of MSKY decisions. (12)