

Shree Damodar College of Commerce & Economics, Margao – Goa
FYBCOM, Semester II, SEE, April 2016
Business Economics – Managerial Economics- II (Old Course)

Duration: 2 hours

Marks: 80

Instructions:

- All Questions are compulsory.
- Figures to the right indicate marks.
- Answer each question on a fresh page.
- Draw diagrams where necessary.

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1. Answer **any four** of the following: (4*4 =16)
- a. List any four objectives of pricing policy and explain any two of them.
 - b. Depression phase of a business cycle.
 - c. Administered pricing.
 - d. Full cost pricing method.
 - e. Product Life cycle.
 - f. Accounting profit and Economic profit.
2. Answer **any four** of the following: (4 *4 =16)
- a. Quasi Rent.
 - b. Corporate social responsibility.
 - c. Public goods and Private goods.
 - d. Any four uses of Break Even Analysis.
 - e. Safety margin.
 - f. Calculate the BEP in physical units when TFC is ₹ 50,000 selling price ₹ 6/- and TVC ₹ 3/- and prove that the firm is in BEP.
3. A. Explain the marginal cost method of pricing and list its merits and demerits. (12)
- OR**
3. B. Explain the concepts of Price skimming and Price Penetration with examples. (12)
4. A. With the help of a diagram, explain Break Even Analysis. List its various limitations. (12)
- OR**
4. B. Explain why profit maximization is not the only goal of the firm, give reasons. (12)
5. A. What is Cost Benefit Analysis? Explain the steps involved in social Cost Benefit Analysis. (12)
- OR**
5. B Explain the payback method and internal rate of return method of Capital Budgeting and list their merits. (12)
6. A. i) Explain the main features of Innovation theory of profits. (6*2=12)
ii) Explain the various factors affecting wages.
- OR**
6. B Explain the need for Capital Budgeting and the various approaches to Capital Budgeting. (12)
