VidyaVikasMandal's

Shree Damodar College of Commerce and Economics, Margao-Goa

First Year B.Com, Semester-II, SEE APRIL 2016

MANAGERIAL ECONOMICS (New Course)

Duration: 2 hours **Total Marks: 80**

Instructions: i) **All** questions are **compulsory**, however **internal choice** is available.

ii) Figures to the **right** indicate marks.

iii) Start **each** new question on **a fresh** page.

iv) Answer to questions **3** to **6** must be of approximately **400** words **each.**

1. Answer **any four** of the following in approximately**100** words **each.** **16**

i. Meaning of Marginal Revenue

ii. Conditions for market equilibrium

iii. Four features of monopolistic completion

iv. Meaning of kinked demand curve

v. What is cost plus pricing?

vi. Suitability of penetration pricing

2. Answer **any four** of the following in approximately**100** words **each.** **16**

a. Meaning of peak load pricing

b. Define safety margin

c. Company C is planning to undertake a project requiring initial investment of Rs. 105 lakhs. The project is expected to generate Rs. 25 lakhs per year for 7 years. Calculate the payback period of the project.

d. Meaning of capital budgeting

e. Present value of future income

f. What is social cost benefit Analysis?

3a. How firms in a perfectly competitive market achieves short run equilibrium (12 Marks)

OR

3b. How firms in a monopolistic market achieves equilibrium in the market? Explain the role of selling cost in the monopolistic market. (12 Marks)

4a. what is price forecasting? What are the factors to be considered in price forecasting?

(12 Marks)

OR

4b. Explain break even point. Explain any five managerial uses of break even analysis.

5a. Explain different methods used in profit forecasting (12 Marks)

OR

5b. Explain various factors affecting Investment decision in managerial economics (12 Marks)

6a. What are the different methods used in estimating cost of capital (12 Marks)

OR

6b. A firm sells 400 units at a price Rs. 250. The break even sales is Rs. 87500. Find out the margin of safety ratio. (4 Marks)

6c. Given TFC is Rs. 1, 20,000, price Rs. 2.50 and AVC is Rs. 1.50, find the Break Even points in units (4 Marks)

6d. The selling price of a product is Rs. 10 and the unit variable cost is Rs. 2, Find out the the contribution margin ratio of the product. (4 Marks)