

VidyaVikasMandal's

Shree Damodar College of Commerce and Economics, Margao-Goa

First Year B.Com, Semester-II, *May/June, Supplementary Exam 2016*

MANAGERIAL ECONOMICS-II

Duration: 2 hrs

Max Marks: 80

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate maximum marks to the questions.
3. Start each new question on the fresh page..
4. Draw graphs/diagrams wherever necessary.

Q1 Write short notes on any four of the following:

(4x4)=16

1. Explain the features of Monopoly.
2. What is a kinked demand curve?
3. Make a distinction between public goods and private goods.
4. What is a shut down condition?
5. Briefly explain the factors influencing the investment decisions.
6. Find the estimated rate of return from the three project proposals given below and select the one which is most profitable

Project proposals	Estimated net profits	Capital employed
1	75000	150000
2	90000	300000
3	45000	200000

Q.2 Write short notes on any four of the following:

(4x4) =16

1. Differentiate skimming and penetration pricing.
2. Explain the recovery phase of business cycle.
3. Discuss any two types of profits.
4. Steps involved in social cost benefit analysis.
5. Briefly explain any two approaches to determine the size of capital.
6. Sales of the firm are 9000 units. The break even point is 4000. Calculate the safety margin for the firm.

Handwritten marks:
27
72
11

Q.3 A) State the golden rule of equilibrium and explain super normal profit, normal profit and sub normal profit with the help of the diagrams. (12)

OR

B) Explain the features of monopolistic competition. Also draw and explain the long run equilibrium under the monopolistic competition. (12)

Q.4 A) what is price discrimination? Explain its different types and state the objectives for price discrimination. (12)

OR

B) Explain the general considerations and objectives of the pricing policy. (12)

Q.5 A) What is profit policy and what are its goals? Briefly explain profit limiting factors. (12)

OR

B) The firm Merico has the following data

Total fixed cost = Rs. 4500

Total variable cost = Rs. 3000

Total sales = Rs 10000

Units sold = 5000

Find out a) BEP in units

b) Margin of safety

c) profit

d) Calculate the volume of sales to earn profit of Rs. 3000 (12)

Q.6 A) what is break-even analysis? Explain the managerial uses and limitations of break-even analysis. (12)

OR

B) a) Explain the various sources of business risks.

b) There are six alternative proposals under consideration for a firm. The details are as follows

proposal	Initial investment	Annual cash flows
1	90000	30000
2	40000	10000
3	100000	20000
4	70000	20000
5	250000	30000
6	300000	50000

Find the pay back period for each of the six proposals and identify the one which will be selected by the firm.