



॥ विद्या सर्वस्य भूषणम् ॥

**PRABODHAN EDUCATION SOCIETY'S**  
**Vidya Prabodhini College of Commerce, Education, Computer & Management**  
**Vidyanagar, Alto-Parvari, Goa**

**SEMESTER END EXAMINATION - APRIL 2017 (Regular/Repeat)**

**Class:** F.Y.B.Com

**Sub:** Managerial Economics-II

**Semester:** II

**M. Marks:** 80 marks

**M. Time:** 2 hours

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- INSTRUCTIONS: 1. All Questions are Compulsory. However the internal choice is available.  
2. Figures to the right indicate full marks.  
3. Answer sub-questions in Q.I & Q.II in not more than 100 words each.  
4. Answer questions in Q.III to Q. VI in not more than 400 words each.  
5. Every main question should begin on a fresh page.
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**Q.I) Answer any four of the following.**

(4 x 4 = 16)

- 1) Write a short note on area-wise classification of the market.
- 2) Explain any two types of price discrimination.
- 3) Explain the features of Oligopoly.
- 4) What is meant by full-cost pricing?
- 5) What is administered pricing method?
- 6) What is meant by loss-leaders?

**Q.II) Answer any four of the following.**

(4 x 4 = 16)

- 1) State the forms of capital budgeting.
- 2) What is Profitability Index?
- 3) What is Net Present Value Index method?
- 4) Explain the Spot projection method of profit forecasting.
- 5) What is meant by Margin of safety?
- 6) How are the economic concepts of profit different from the accounting concept of profit?

**Q.3 A) Explain any six features of the Monopolistic competition.**

(12)

**OR**

**Q.3 X) Explain the short-run equilibrium of a firm under Perfect competition with the help of neat diagrams.**

(12)

**Q.4 A) Explain the skimming price and penetration price strategies adopted by the firm for pricing of a new product in the early stages of production.**

(12)

**OR**

**Q.4X) Explain the various factors to be considered while formulating a pricing policy.**

(12)

**Q.5 A)** Suppose the fixed cost of an ice-cream factory is Rs. 90,000, the variable cost per cup is Rs. 10 and the selling price is Rs. 25 per cup. Find out the Break-even point of the ice-cream factory. (06)

**Q.5 B)** State the assumptions of break-even analysis. (06)

**OR**

**Q.5 X)** Explain any six uses of break-even analysis in managerial decision making. (12)

**Q.6 A)** Explain the nature of capital budgeting. (12)

**OR**

**Q.6 X)** Discuss Pay back Period method of appraising project feasibility. (03)

**Y)** Rank the following investment proposal as per their profitability, showing all the steps involved in the calculation according to – (3+6=9)

(i) Pay-Back Period Method      (ii) Accounting Rate of Return Method.

Project Proposal	Initial Investment	Annual Cash Flow	Life in Years
A	3,00,000	50,000	15
B	8,00,000	2,00,000	25
C	5,00,000	1,00,000	10

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