

PRABODHAN EDUCATION SOCIETY'S
VIDYA PRABODHINI COLLEGE OF COMMERCE, EDUCATION,
COMPUTER AND MANAGEMENT, VIDYANAGAR, PARVARI, GOA.
F.Y.B.COM SEMESTER END EXAMINATION
APRIL 2018 (REGULAR/REPEAT)
SUB: MANAGERIAL ECONOMICS (CBCS)

SEMESTER: II **CLASS: F.Y.B.COM** **DURATION: 2 Hours** **MAX. MARKS: 80**

- Instructions:**
- i. All questions are compulsory and are having internal choice.
 - ii. Figures to the right indicate marks allotted.
 - iii. Answer sub-questions in Q.I & Q.II in not more than 100 words each.
 - iv. Answer questions in Q.III to Q. VI in not more than 400 words each.
 - v. Every main question should begin on a fresh page.
 - vi. Use of Calculator is allowed.
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Q.I) Answer any four of the following.

(4 x 4 = 16)

- a) State the importance of Administered Price.
- b) What is meant by loss-leaders?
- c) Define Profit Forecasting.
- d) What is meant by the term Penetration Price?
- e) State four assumptions of Profit- Volume Analysis.
- f) A firm produces 2500 units of xyz Pen at the total fixed cost of Rs. 34000 and total variable cost of Rs. 15000. The firm wants to make a net profit margin of 10% on total cost. Calculate price of Pen using cost-plus pricing method.

Q.II) Answer any four of the following.

(4 x 4 = 16)

- a) State the forms of capital budgeting.
- b) Explain briefly the importance of capital budgeting.
- c) State the uses of cost-benefit analysis.
- d) State the limitations of Game theory.
- e) What is Nash equilibrium?
- f) Give the merits of Sensitivity Analysis.

Q.3 A) Explain the various factors influencing pricing policy. (12)

OR

Q.3 X) Illustrate the stages of Life Cycle based pricing with the help of a neat diagram. (12)

Q.4 A) Explain any six uses of break-even analysis in managerial decision making. (12)

OR

Q.4X) Explain the break-even chart with the help of diagram. (06)

Q.4 Y) Suppose the fixed cost of an Pencil factory is ₹ 90,000 the variable cost per unit is ₹15 and the selling price is ₹20 per Pencil. Find out the Break-even point for Pencil factory. (06)

Q.5 A) Explain the various factors influencing investment decisions of a firm. (12)

OR

Q.5 X) What is Average Rate of Return method of Project evaluation? (03)

Q.5 Y) Rank the following investment proposal as per their profitability, showing all the steps involved in the calculation according to –

(i) Pay-Back Period Method (ii) Accounting Rate of Return Method. (3+6=9)

Project Proposal	Initial Investment	Annual Cash Flow	Life in Years
A	3,50,000	70,000	12
B	9,50,000	1,30,000	20
C	7,50,000	75,000	15

Q.6 A) What is Game theory? Explain the concepts of Strategy and Payoff Matrix. (12)

OR

Q.6 X) Explain the various methods used for deciding selection of Project. (12)

X