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

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.

Q.I) Answer *any four* of the following. **(4 x 4 = 16)**

a) Distinguish between product market and factor market.

b) Explain the concept of total revenue and average revenue.

c) State the features of Oligopoly.

d) Write a short note on Customary pricing policy.

e) What is administered pricing method?

f) A firm produces 5000 units of ABC notebooks at the total fixed cost of ₹80000 and total variable cost of ₹45000. The firm wants to make a net profit margin of 10% on total cost. Calculate price 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) What is Net Present Value Index method?

c) Define Profit forecasting.

d) What is meant by Margin of safety? Find out the safety margin of a firm having actual sales of 10000 units with a Break-even point of 8000 units.

e) Explain the financing approach in fixation of the size of capital budget.

f) Write a note on Profitability Index.

Q.3 A) Discuss the features of Perfect Competition. **(12)**

OR

Q.3 X) Explain the short-run equilibrium price and output under Monopoly. **(12)**

Q.4 A) Elaborate the various factors affecting pricing policy of a firm. **(12)**

OR

Q.4X) Discuss the Skimming price and Penetration price strategies adopted by the firm for pricing a new product in the early stages of production. **(12)**

Q.5 A) Suppose the fixed cost of an chocolate factory is ₹ 70,000, the variable cost per unit is ₹10 and the selling price is ₹15 per chocolate. Find out the Break-even point for chocolate factory. **(06)**

Q.5 B) Explain the break-even chart with the help of diagram. **(06)**

OR

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

Q.6 A) Explain the sources of Long – term financing for Capital Investment. **(12)**

OR

Q.6 X) What is Pay-back period? **(03)**

Q.6 X) 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	2,50,000	60,000	10
B	9,00,000	1,50,000	20
C	8,50,000	85,000	16

X