

F.Y.B.COM SEMESTER END EXAMINATION

APRIL 2019 (REGULAR/REPEAT)

SUB: MANAGERIAL ECONOMICS (CBCS)

SEMESTER: II

CLASS: F.Y.B.COM

DURATION: 2 Hours

MAX. MARKS: 80

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

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

(4 x 4 = 16)

- State any four objectives of pricing policy.
- What is meant by the term Penetration Price?
- What is marginal cost pricing?
- Define Profit Forecasting.
- Write four assumptions of Profit- Volume Analysis.
- A firm produces 18,000 units of xyz Pencil at the total fixed cost of ₹ 2, 00,000 and total variable cost of ₹ 75,000. The firm wants to make a net profit margin of 11% on total cost. Calculate price of Pencil using cost-plus pricing method.

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

(4 x 4 = 16)

- What is capital budgeting?
- Explain the forms of capital budgeting.
- Define social cost-benefit analysis.
- Differentiate between certainty and uncertainty.
- What is Prisoners dilemma?
- What is Margin of safety? If a firm is having actual total sales of ₹ 26000 units with a Break-even point of 8000 units. Find out safety margin in percentage.

Q.3 A) Explain the price strategies adopted by a firm for pricing a new product. (12)

OR

Q.3 X) Discuss the various factors influencing pricing policy. (12)

Q.4 A) Explain in detail the various six profit limiting factors. (12)

OR

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

Q.4 Y) Suppose the fixed cost of an Pen factory is ₹60,000 the variable cost per unit is ₹ 30 and the selling price is ₹ 50 per Pen. Find out the Break-even point for Pen factory. (06)

Q.5 A) Discuss the various factors affecting investment decisions of a firm. (12)

OR

Q.5 X) What is Internal 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	₹2,50,000	₹40,000	11
B	₹3,50,000	₹65,000	13
C	₹6,40,000	₹95,000	10

Q.6 A) What is Game theory? Explain the concepts of pure and mixed strategy and max-min and min-max pay-off matrix. (12)

OR

Q.6 X) Explain the any three methods used for the selection of Project. (12)

X