

Special

FYBCOM SEMESTER END ASSESSMENT (REPEAT)
June 2023

Course Title: MANAGERIAL ECONOMICS

Course Code: UCEC102

Category: CC 7

Semester: II

Duration: 02 Hours

Max Marks: 80

- All questions are compulsory having internal choice.
- Figures to the right indicate maximum marks allotted.
- The use of a simple calculator is allowed.
- Answer Q.1 & Q.2 in not more than 100 words each.
- Answer Q.3 to Q.6 in not more than 400 words each.

Q.1) Answer ANY FOUR of the following.

(4 x 4 = 16)

- a) What is marginal cost pricing?
- b) Define perceived value pricing.
- c) Explain the different kinds of profit.
- d) Elaborate on the profit limiting factors.
- e) What is contribution margin?
- f) A firm produces 10,000 units of clothes at the total fixed cost of Rs. 3,00,000 and total variable cost of Rs. 1,50,000. The firm wants to make a net profit margin of 30% on total cost. Calculate price of cloth using cost plus pricing method.

Q.2) Answer ANY FOUR of the following.

(4 x 4 = 16)

- i. Explain the importance of Capital Budgeting.
- ii. Define profitability index.
- iii. What is cost of preference share?
- iv. Explain Prisoner's Dilemma.
- v. What is Nash Equilibrium?
- vi. Briefly explain risk adjustment.

Q.3 A) Explain in detail the price skimming and peak load pricing method.

(1 x 12 = 12)

OR

Q.3 X) Elaborate on International price discrimination and Dumping.

(1 x 12 = 12)

(P.T.O.)

Q.4 A) Elaborate on various approaches of profit forecasting. (1 x 12 = 12)

OR

Q.4 X) (i) Explain Break Even Chart with the help of a neat diagram. (1 x 6 = 6)

(ii) If a company has Rs. 10,000 in fixed cost per month and their product has an average selling price of Rs. 100 and the variable cost is Rs. 20 for each product. Find Break Even Quantity and Break Even Sales. (1 x 6 = 6)

Q.5 A) Define Capital Budgeting and explain the factors influencing investment decisions in business. (1 x 12 = 12)

OR

Q.5 X) Rank the following investment proposals as per their profitability showing all the steps involved in the calculation according to

(i) Payback period method

(ii) Accounting rate of return method

Project Proposal	Initial Investment	Annual Cash Flow	Life in Years
F	4,00,000	2,00,000	50
G	20,00,000	5,50,000	80
H	10,00,000	4,00,000	50

(1 x 12 = 12)

Q.6 A) Elucidate the methods used for the selection of project in business.

(1 x 12 = 12)

OR

Q.6 X) Explain the structure of Game Theory. (1 x 12 = 12)

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