

S.V.'s Sridora Caculo College of Commerce and Management Studies,

Telang Nagar, Khorlim, Mapusa- Goa

F.Y.B.Com Semester End Examination – June 2022

Semester II CBCS (w.e.f. 2018-2019)

Subject- Managerial Economics (CC7)

Max. Marks: 80

Max Time: 2 hours

Instructions: - 1. Attempt all the questions.

2. Internal choice is available.

3. Figures to the right indicate full marks.

Q.1) Answer in brief, **any four** of the following:

(4 x 4=16 mks)

1. Write a note on administered pricing.
2. What are the objectives of pricing policy?
3. If the Average cost of soft drink bottle is Rs.20 and Profit Margin is 10%, calculate the price of each soft drink bottle.
4. Write a note on penetration pricing.
5. What are the four concepts of profit?
6. State the uses of break-even analysis.

Q.2) Answer in brief, **any four** of the following:

(4 x 4 = 16 mks)

1. What is profit forecasting? Explain the three methods in brief.
2. Mention the significance of capital budgeting.
3. What are the uses of capital budgeting?
4. What are the different kinds of profit?
5. Briefly explain the concept of retained earnings.
6. State any two approaches determining the size of capital.

Q.3)

A. Explain the competition based pricing methods.

(12 mks)

Or

B. Explain the product life cycle based pricing methods.

(12 mks)

Q.4)

A. From the data given below of Real Pvt Ltd.

(12 mks)

Total Fixed cost =Rs.6000

Average variable cost = Rs.1.5

Price =Rs.3.

Calculate: - a) contribution margin. b) Break-even Point in Units. c) Safety Margin if 5000 units are sold. d) Target profit sales volume to earn profit of Rs.6000.

Or

- B. Discuss the factors that limit the profit of the firm. (12 mks)

Q.5)

- A. General company Ltd. is faced with a choice of a project among the two available alternative project proposals X and Y. Initial cost of Project X is Rs.70, 000 and Project Y is Rs.60, 000. Life span of both proposed project is 6 years with their cash flows displayed below. Discount rate is fixed at 8%, find out which project proposal the company should accept. (12mks)

Years	1	2	3	4	5	6
Project X	20,000	20,000	24,000	28,000	24,000	10,000
Project Y	18,000	18,000	18,000	18,000	18,000	18,000
Discount factor at 8 %	0.926	0.857	0.794	0.735	0.681	0.632

Or

- B. Explain the Social Cost Benefit Analysis. (12mks)

Q.6)

- A. Discuss the factors influencing investment decision. (12mks)

Or

- B. Given two production plans, calculate standard deviation and decide which production plan is more preferable. (12mks)

Production plan 1	Output flow (X)	1000	2000	3000
	Probabilities(P)	0.6	0.1	0.3
Production plan 2	Output flow(X)	1000	2000	3000
	Probabilities(P)	0.7	0.2	0.1

****THE END****