

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce & Economics
Ponda – Goa
B.Com. (Semester- II) Supplementary Examination, May/June 2017
MANAGERIAL ECONOMICS – II

Duration : 2 Hours

Marks : 80

INSTRUCTIONS : 1) All questions are compulsory.
2) Figures to the right indicate marks assigned
3) Draw diagrams wherever necessary.
4) Use of Calculator is allowed.

Q 1) Write Short Notes on the following (Any Four) - (16)

- (1) Conditions of Equilibrium of a firm
- (2) Degrees of Price Discrimination
- (3) Concept of Kinked demand curve
- (4) Multi – product pricing
- (5) Transfer pricing
- (6) Retail Pricing

Q 2) Write Short Notes on the following (Any Four) - (16)

- (a) Role of Profit
- (b) Any two profit limiting factors
- (c) Break – even Chart
- (d) Net Present Value Method
- (e) Concept of Cost of Capital
- (f) Social Cost Benefit Analysis

Q 3 a) Define Perfect Competition and explain its characteristics. (12)

OR

b) Define Monopoly. Explain the main features of monopoly. (12)

Q 4 a) Explain the following pricing concepts

- 1) Full cost pricing 2) Penetration pricing
 - 3) Price Skimming 4) Loss leader pricing
- (12)**

OR

b) Explain the objectives and factors affecting pricing policy. (12)

Q 5 a) Explain the concepts of

- 1) Contribution Margin and
- 2) Break evenpoint . (6)

b) Write a note on – Uses of Break even analysis. (6)

OR

Q.5 c) Rajesh Ltd has the following figures – Selling price per unit = ` 20/-

Variable Cost per unit = ` 10/- . Fixed cost = ` 40,000.

Actual sales = 5000 units Target profit = ` 30,000

Calculate – a) Contribution Margin b) Break-even point in Units,

c) Break even Sales in ` d) Sales in units to earn the given target profit

e) Sales in ` to earn the target profit and f) Margin of Safety. (12)

Q 6 a) Define Capital Budgeting. Explain the steps involved in Capital Budgeting. (12)

OR

b) Write a note on Approaches for determining size of capital budget. (6)

c) The cost of a machine is ` 10 lakhs. The present value of cash flows @8 % is. ` 9,45,000. Find out Profitability Index (PI). Do you recommend to buy the machine? (2)

d) XYZ company's capital structure & its book value of different sources is given below. The cost of each source is also calculated and given. You are required to calculate the specific weights of each source and calculate the Weighted Average Cost of Capital. (4)

Sr. No.	Source	Book Value	Weights	Cost of each source (in %)	Weighted cost (In %)
1	Equity Shares	` 30,00,000	?	10	?
2	12% Preference Shares	` 10,00,000	?	9	?
3	10% Debentures	` 25,00,000	?	5	?
4	Retained Earnings	` 10,00,000	?	10	?
	Total	`75,00,000	100.00	-	?

I have checked the manuscript of “**Managerial Economics-II**”
Semester - II Supplementary examination May/June 2017
found it to be correct and without any fault.

Signature of the teacher

Office staff

Name of the teacher : Dr. M.M. Chikodikar