

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. CBCS (SEMESTER- II) SUPPLEMENTARY EXAMINATION,
MAY / JUNE 2019
MANAGERIAL ECONOMICS

Duration : 2 Hours

Marks : 80

INSTRUCTIONS : 1) All questions are compulsory.
2) Figures to the right indicate marks.
3) Draw diagrams wherever necessary.

- Q 1) Write Short Notes on the following **(Any Four):** **(16)**
- 1) Target Return Pricing
 - 2) Going Rate Pricing
 - 3) Objectives of Pricing Policy **(any two)**
 - 4) Concept of Gross & Net Profit
 - 5) Role of Profit
 - 6) Profit Volume Graph
- Q 2) Write Short Notes on the following **(Any Four):** **(16)**
- a) Factors influencing investment decisions
 - b) Accounting Rate of Return method (ARR)
 - c) Cost of Preference Share Capital
 - d) Concept of Risk Free rate & Risk Premium
 - e) Risk adjusted discount rate
 - f) Nash equilibrium
- Q 3. a) Explain the following pricing methods - **(12)**
- i) Full cost pricing ii) Entry deterring pricing iii) Packaging
- OR**
- b) Describe the following pricing methods – **(12)**
- x) Loss Leader pricing y) Peak load pricing z) Administered pricing
- Q 4. a) Manisha Ltd has the following figures – Selling price per unit = ` 20/-
Variable Cost per unit = `10/- Fixed cost = ` 80,000
Actual sales = 10,000 units .
Calculate – 1) Contribution Margin 2) C/S Ratio
3) Break- even point in Units, and 4) Break even Sales in ` **(8)**
- b) Explain in brief the different profit limiting factors. **(4)**
- OR**
- c) Explain the following concepts – 1) Contribution Margin 2) C/S Ratio
3) Break-even point in Units, and 4) Break even Sales in ` **(8)**
- d) Explain in brief the Limitations of breakeven analysis. **(4)**
- Q 5. a) Describe the different steps involved in capital budgeting . **(6)**
- b) Explain in brief – i) Payback period method & ii) Net Present Value method. **(6)**
- OR**
- Q 5. c) Explain the different methods of evaluation used in Social Cost Benefit Analysis (SCBA). **(6)**
- d) Write a note on – Weighted Average Cost of Capital **(6)**

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- Q 6. a)** There are 2 projects A and B. Given below are their annual cash flows and probability of getting those cash flows. Calculate each project's standard deviation and find out if project A or B is more risky. **(8)**

Project A		Project B	
Cashflows (in `)	Probability	Cashflows (in `)	Probability
X	P	X	P
8000	0.10	8000	0.10
16,000	0.20	14,000	0.25
20,000	0.40	20,000	0.30
24,000	0.20	26,000	0.25
28,000	0.10	32,000	0.10

- b) Explain the concept of Certainty Equivalent factor **(4)**

OR

- c) Describe the various strategies used in a Game theory. **(8)**
- d) Explain with a suitable example Prisoners' Dilemma. **(4)**
