

CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN

Semester End Examination April 2019

Semester: II of B.COM

Subject: Managerial Economics/CC 7

Total marks: 80

Date: 15-04-2019

Time : 2 Hrs

Instructions: 1. All questions are compulsory

2. Figures to the right indicate marks

Q1) Briefly answer **any four** of the following .

(4X4)

- i. Explain 'Sealed bid pricing method'.
- ii. Highlight any two factors determining pricing policy.
- iii. Explain the concepts of 'Contribution margin per unit', 'Contribution ratio', and 'Safety margin'.
- iv. Write a note on 'Penetration price policy'.
- v. Explain the limitations of Break-even analysis.
- vi. Write a note on 'Dumping'.

Q2) Briefly answer **any four** of the following .

(4X4)

- i. Highlight the various steps involved in capital project evaluation.
- ii. Explain the features of profit.
- iii. Distinguish between 'risk and certainty'.
- iv. Explain the importance of 'Capital Budgeting Decision'.
- v. Distinguish between 'Insurable and non-insurable risk'.
- vi. Write a short note on 'Cost of preference capital'.

Q3.A) What are the general considerations of pricing policy?

(12)

OR

Q3.B) Write notes on:- i) Administered Pricing

(12)

ii) Cost plus pricing

Q4.A) Explain the role of profit, and discuss the various concepts of profit.

(12)

OR

Q4.B) Diagrammatically explain Break even analysis with the help of a Break even chart.

(12)

Q5.A) Explain any three methods of appraising project profitability.

(12)

OR

Q5.B) Write notes on :- i) Social Cost Benefit Analysis

(12)

ii) Approaches to determine size of capital

Q6.A) Discuss the sources of funds for long term financing

(12)

OR

Q6.B) Write notes on:- i) Sources of business risk

(12)

ii) Game theory
