

**CARMEL COLLEGE OF ARTS , SCIENCE & COMMERCE FOR WOMEN,  
NUVEM GOA.**

**SEMESTER END EXAMINATION , JULY/ AUGUST 2021**

**Subject : ECONOMICS      Semester: II BCOM**

**Course name: Managerial Economics ( CEC 102 )**

**Total Marks :40    Date : 13 / 07 /21    Duration: 2 hrs    Total No of pages: 01**

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***Instructions: 1. All questions are compulsory.***

***2.Figures to the right indicate marks***

**Q1. Answer any five of the following :** (2mks each )

- i. Write a note on “Sealed bid pricing”.
- ii. Distinguish between market skimming pricing and market penetration price policy.
- iii. Explain the nature and role of profit .
- iv. Distinguish between accounting profit and economic profit.
- v. Explain the significance of Capital budgeting decisions.
- vi. Distinguish between cost of preference shares and cost of equity capital.
- vii. Write a note on game theory .
- viii. Explain the steps involved in analysis of risky decisions ?

**Q2. Answer any six of the following :** (5mks each )

- i. Discuss the various objectives of pricing policy.
- ii. Explain the rationale of administered pricing.
- iii. Diagrammatically explain the determination of break even point .
- iv. Explain the various factors which limit profits earned by the firms .
- v. Discuss any two methods of appraising project profitability .
- vi. Explain the various sources of funds for long term financing.
- vii. Explain the concepts of certainty , uncertainty and risk.
- viii. Discuss the finite horizon method and risk adjusted discount rate method in selection of a project.