

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,
NUVEM-GOA
SEMESTER END EXAMINATION, JUNE 2022**

Semester: II BCOM

Course Title: MANAGERIAL ECONOMICS

Course Code: CEC 102

Total marks: 80 Date: /06/2022 Duration: 2 hours Total No of pages: 03

Instructions: 1. All questions are compulsory, however internal choice is available.

2. Figures to the right indicate marks assigned to each question.

3. Answer sub-questions 1 to 2 in not more than 100 words.

4. Answer sub-questions 3 to 6 in not more than 400 words.

5. Paper carries maximum of 80 marks.

6. Students are allowed to use calculator.

Q1. Answer any four questions. (4 x 4 = 16)

1. What do you understand by going rate pricing?
2. Distinguish between packaging and loss leader pricing as a pricing method.
3. State how administered pricing corrects the market imperfections.
4. Highlight the three degrees of price discrimination.
5. Give an overview of kinds of and role of profit.
6. Suppose that sales per unit (price) is 750 rupees, and the variable cost per unit is 420 rupees. The total fixed cost of the firm is 740000 rupees. Calculate Break-Even quantity in units based on the above information.

Q2. Answer any four questions. (4 x 4 = 16)

1. Outline the uses of Break-Even Analysis.
2. Suppose XYZ Ltd is expecting to sell 10,000 units at a price of rupees 10 each. The variable cost associated with the product is rupees 5 per unit, the fixed cost is rupees 15,000 per year and the target profit is rupees 10000. Calculate Total Sale Volume for the given case.
3. Describe the various types of projects.
4. Explain the significance of capital budgeting.
5. Elaborate the limitations of game theory.
6. Explain the concept of Prisoners' Dilemma in the game theory.

Q3 A. Elucidate the concept of multi-product pricing with the help of diagram. (12)

Or

Q3 B. Discuss the various pricing strategies of cost based pricing. (12)

Q4 A. Examine social cost-benefit analysis. (12)

Or

Q4 B. XYZ Ltd, has prepared the following budget estimates for the year 2022-23.

(3 x 4 = 12)

Sales per units or price	24 rupees
Fixed expenses	38,000
Sales	1,50,000
Variable cost	8 rupees per unit
Desired profit or target profit	30,000 rupees

You are required to calculate

- i. PV ratio
- ii. Margin of safety at a profit of 25,000 rupees.
- iii. Sales for desired profit
- iv. Units for desired profit

Q5 A. A firm is considering to purchase a machine for metal sheet perforation. Two machines, A and B, are available for the purpose in the market. Each of these machines costs Rupees 12,00,000. Earning after taxation are expected to be as under:

(12)

Years	Cash inflows	
	Machine A	Machine B
1	3,50,000	1,80,000
2	4,20,000	3,60,000
3	5,05,000	4,30,000
4	3,80,000	6,00,000
5	2,50,000	4,00,000

Indicate which of the machines firm will select based on payback method of ranking investment proposal.

Or

Q5 B. Find out the Net Present Value, given the following data regarding plant A and B. Rank the projects on the basis Net Present Value. (Discounting factor: 10 %)

(12)

Year	Cash inflow (Rupees)		
	Plant A	Plant B	Discounting Factor (10 %)
Initial Investment	-28000	-20000	
1	9500	6000	0.91
2	11000	7400	0.82
3	10000	5600	0.75
4	8000	5000	0.68
5	6000	4500	0.62

The End