S.S.DEMPO COLLEGE OF COMMERCE AND ECONOMICS
Altinho,Panaji – Goa
F.Y.B.Com Semester I Supplementary Examination – JUNE 2016 (***Old Course***)
MANAGERIAL ECONOMICS

Duration:2 hours Marks: 80

Instructions: - All questions are Compulsory.
Use of Non-scientific calculators is allowed.

Q.No.1 Explain in brief ***Any Four*** of the following **4 x 4=16**

1. Managerial Economics is metrical in nature. Explain.
2. If a firm shall receive an amount of Rs. 48,000/- after 4 years whose present value today is calculated as Rs 36618.9702, then find out what is the discounting rate.
3. Write a short note on equi-marginal principle.
4. Briefly explain how consumer's income and price of related goods influences demand for a commodity.
5. Distinguish between shift in demand curve and movement on demand curve with help of graphs.
6. What is demand forecasting? Briefly explain any three objectives of demand forecasting.

Q.No.2 Explain in brief ***Any Four*** of the following **4 x 4=16**

1. Explain the short run and long run production function.
2. A firm is currently producing and selling 700 items of a product for Rs.2.5 each. It has average fixed costs of 50 paise and average variable costs of 75 paise at this production level. Calculate the firm's total profits at this production level.
3. Briefly explain any four economies of scale .
4. What is meant by equilibrium of a firm?
5. 'A perfectly competitive firm shall make normal profits in the long run'- Explain.
6. What is a 'shut down point' for perfectly competitive firm? Explain with a diagram.

Q.No.3 **12**

A. Explain the relationship of managerial economics with the disciplines of Accounts, Maths, and Economics.

Or

B. Explain with examples the principles of time perspective, Incremental reasoning and time value of money.

Q.No.4 **12**

A. Explain the various applications of the concept of elasticity of demand. Also explain the determinants of price elasticity of demand.

Or

B. Write short notes on, Advertizing Elasticity of demand, Cross elasticity of Demand and Exceptions to the law of demand.

Q.No.5 **12**

A. Explain the law of variable proportions with help of a diagram.

Or

B. If the AFC for Q=500 is Rs.8/- then calculate TFC, TVC, AFC, AVC and MC from the following data:

Q (units)	100	200	300	400	500	600	700	800
TC (Rs)	6,000	7,000	7,500	9,000	11,000	14,000	18,000	24,000

Q.No.6 **12**

A. Explain the short run equilibrium of a firm in monopolistic market. Draw graphs to explain supernormal profits, normal profits and loss.

Or

B. What are the main features of oligopoly? Explain the condition of MC=MR in Monopoly in short run with a diagram for maximizing profits.

---------- x ----------