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S.S.DEMPO COLLEGE OF COMMERCE AND ECONOMICS
CUTIRA, ST. CRUZ Goa
F.Y.B.Com Semester I Supplementary Examination – June 2017
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 Five of the following 5 x 4=20

1. Explain relationship between Maths and Managerial Economics.
2. If a firm plans to invest an amount of Rs. 3,00,000/- on 1st July' 2017 to be received in three years in the following way:

Year	1 st July'2018	1 st July'2019	1 st July'2020
Amount in Rs	90,000	1,10,000	1,20,000

Using discounting principle state whether the firm will be able to recover its investment at the end if discounting rate is 10%.

3. Explain the principle of opportunity cost.
4. Using arc elasticity method calculate and comment on the degree of price elasticity if the quantity demanded changes from 10,000 units to 8500 units as a result of change in price from Rs 30 to Rs 35.
5. Explain any four determinants of price elasticity of demand.
6. What is cross elasticity? State various types of Ec.

Q.No.2 Explain in brief Any six of the following 6 x 4=24

1. Distinguish between short run and long run production function.
2. Briefly explain any two factors of production.
3. What is technical progress? Explain the role of technology.
4. Write a note on costs of a multi-product and joint product firm.
5. Briefly define the concepts of Social, Money, Direct and Indirect costs with examples.
6. Draw and write a note on short run cost curves.
7. If a firm produces 1000 units of a commodity at a cost of Rs 80,000 and sells it at Rs 1,00,000 and now decides to produce 1200 units of the same commodity at a cost of Rs 1,00,000 and sells it for Rs 1,40,000 calculate its MC and MR.
8. Write a note on Diseconomies of Scale.

Q.No.3

12

A. The demand function is $P = 60 - 0.2Q$. Find the point and arc elasticity (E_p) when price decreases from Rs 40 to Rs 30.

Or

B. Titan Ltd determines that in year 2017 the demand curve for its clocks is $P = 3000 - 60Q$, where P is the price of the clock and Q is the number of clocks sold per month.

- a) What price would company have to charge to sell 20 units per month?
- b) At a price of Rs 600 per unit, how many units will it sell per month?
- c) What is the E_p value if price is Rs 600?
- d) What is the E_p value if 38 units are sold?
- e) At what price will clocks have negative unitary elastic demand?
- f) At $E_p = - 0.6$ how many clocks will be sold?

Q.No.4

12

A. Explain the law of variable proportions with diagram.

Or

B. Explain the law of returns to scale.

Q.No.5

12

A. If AC for $Q = 80$ is Rs.30/- then calculate TFC, TVC, AFC, AVC and TC from the following data:

Q (units)	10	20	30	40	50	60	70	80
MC (Rs)	20	10	5	15	20	30	40	60

Or

B. If AC for $Q = 5$ is Rs.130/- then calculate TFC, TVC, AFC, AVC and MC from the following data:

Q (units)	0	1	2	3	4	5	6	7	8	9	10
TVC (Rs)	0	50	80	105	129	150	180	225	280	360	450

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