

[Time: 3.00 Hrs]		[ Marks:75 ]
Please check whether you have got the right question paper.		
N.B:	1. Q.1 (20 marks) & Q.8 (15 marks) are compulsory. 2. Attempt Any Four (40 marks) out of Q.2, Q.3, Q.4, Q.5, Q.6 and Q.7. 3. Figures to the right indicate full marks. 4. Draw neat diagrams wherever necessary.	

Q.1 Read and attempt the following:

- (a) A company is considering investing Rs.100,000 in a project that will generate (10)  
the following cash flows over four years. The company's required rate of return is 10%. Should the company undertake the project?

Year	Cash flows (Rs.)
1	30000
2	40000
3	50000
4	20000

- (b) A fitness studio offers a monthly membership plan at Rs.50 per member. The (10)  
studio incurs the following costs:

Fixed Costs: Rs.10,000 per month (rent, staff salaries, utilities).

Variable Cost per Member: Rs.20 (equipment maintenance, supplies).

1. Calculate the break-even point in the number of memberships.
2. If the studio wants to earn a monthly profit of Rs.5,000, how many memberships are required?

Q.2 Attempt **any two** from the following: (10)

- (a) Explain any two managerial methods organizations use to solve their business problems.
- (b) What are the various factors affecting demand?
- (c) Discuss the Law of demand.

Q.3 Attempt **any two** from the following: (10)

- (a) Explain various degrees of Price elasticity of demand.
- (b) Discuss the factors affecting demand for goods.

(c) What is the significance of demand forecasting for running the business successfully?

Q.4 Attempt **any two** from the following: (10)

- (a) Explain the Law of Supply.
- (b) Discuss the properties of Iso-quant curve.
- (c) What are the types of production function?

Q.5 Attempt **any two** from the following: (10)

- (a) Explain internal diseconomies of scale.
- (b) Distinguish between Accounting cost and Economic cost.
- (c) Explain Break-even analysis.

Q.6 Attempt **any two** from the following: (10)

- (a) Discuss the features of monopolistic competition.
- (b) Explain the factors affecting pricing decision.
- (c) Explain price skimming strategy in detail.

Q.7 Attempt **any two** from the following: (10)

- (a) Discuss the role of profit in a market economy.
- (b) Explain the advantages of capital rationing.
- (c) Discuss the features of capital budgeting.

Q.8 Write notes on **Any three** the following: (15)

- (a) Meaning and scope of managerial economics
- (b) Iso-cost analysis
- (c) Penetration pricing
- (d) Aims of profit policy