

OCTOBER 2011

P/ID 77505/
PMBE/PMB1E

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. Describe marginal relationship with example.
2. Describe business indicator with example.
3. Enumerate short run cost function.
4. Draw a break-even chart and explain.
5. Enumerate the uses of input output analysis.
6. How do you measure economic concentration?
7. Explain the measurement of economic effect of advertisement.
8. Describe :
 - (a) National income
 - (b) Consumption

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

- 9/ Explain law of demand and the demand elasticity.
10. Explain multivariate optimization techniques.
- 11/ Forecasting methods require modifications with respect to the object in concern – Explain.
- 12/ Explain the uses of break-even analysis with example.
13. Explain capital investment analysis.
- 14/ Explain different approaches to pricing and methods of pricing.
- 15/ Explain the regulations monopoly and restrictive trade practices.
- 16x Explain the theory of income determination.

PART C — (20 marks)

Compulsory

17. A company utilizing 55% of its installed capacity purchases 6000 units of the raw material at Rs. 42 per unit. The material and labour cost involved in producing the raw material are Rs. 13 and Rs. 26 respectively.

- (a) If installation of new facility require Rs. 20,000
 - (i) Make a decision on make or buy
 - (ii) Find out the break even point
 - (iii) Calculate p/v ratio
 - (iv) Calculate profit.
- (b) If the unutilized capacity can be used with a modification at a cost of Rs. 12,000
 - (i) Make a decision on make or buy
 - (ii) Find out the break even point
 - (iii) Calculate p/v ratio
 - (iv) Calculate profit.