19

I Semester B.B.M. Examination, November/December 2015
(2012-13 and Onwards) (New Syllabus) (Repeaters)
BUSINESS MANAGEMENT
Paper – 1.6 : Market Behaviour and Cost Analysis

Time : 3 Hours Max. Marks : 100

***Instruction** : Answers should be written in **English** only.*

SECTION – A

1. Answer **any eight** sub-questions. **Each** sub-question carries **two** marks. **(8×2=16)**

a) What is supply curve ?

b) Define industry.

c) What is Marginal Cost ?

d) State the meaning of demand forecasting.

e) What is cost of capital ?

f) What is profit maximisation ?

g) What is CVP analysis ?

h) Give the meaning of dumping.

i) What is sample survey method ?

j) What is uncertainty ?

SECTION – B

Answer **any three** questions. **Each** question carries **eight** marks : **(3×8=24)**

2. What is game theory ? Write the characteristics of competative game.

3. What is pay back period ? What are the advantages and disadvantages of pay back method ?

P.T.O.

4. Find out price elasticity of demand based on total outlay method.

Situation	Price (₹)	Quantity Demanded in units
A	8	900
	10	650
	12	450
B	8	625
	10	525
	12	475
C	8	750
	10	600
	12	500

5. From the following data calculate :

TFC, TVC, AFC, AVC and MC.

Production (in Units)	0	10	20	30	40	50
Total cost (₹)	4,000	4,800	5,500	5,900	6,200	6,500

SECTION – C

Answer Question No. **10** and **any three** of the remaining questions. **Each** question carries **fifteen** marks. **(4×15=60)**

6. What is demand forecasting ? What are the various methods of demand forecasting ?

7. Briefly explain the various methods of Pricing.

8. Write short notes on **any three** :

   a) Linear programming.

   b) Alternative objectives of business.

   c) Margin of safety.

   d) Wealth maximisation objectives.

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9. Given :

   Fixed cost = ₹ 5,000

   Variable cost = ₹ 10 percent

   Selling price is Rs. 20 percent

   Sales value 1,000 units

   From the above information calculate

   I) Break even point

   II) Sales to earn a profit of ₹ 3,000

   III) New Break even point if the selling price is reduced by 10%.

10. Company A is evaluating two projects X and Y with an initial investment of ₹ 1,00,000 for each machine. The anticipated cash inflows are as follows :

Year	**Machine X (₹)**	**Machine Y (₹)**
1	60,000	30,000
2	45,000	48,000
3	62,000	49,000
4	45,000	58,000
5	60,000	61,000

The cost of capital is 10%. P.V. factors at 10% discounting factors.

Year	1	2	3	4	5
P.V. factor	0.909	0.826	0.751	0.683	0.621