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I Semester B.Com. Examination, November/December 2014  
(2012 – 13 & Onwards)  
(New Syllabus) (Repeaters)  
COMMERCE

Paper 1.4 : Market Behaviour and Cost Analysis

Time : 3 Hours

Max. Marks : 100

**Instruction :** Answers should be written completely either in **English** or in **Kannada**.

SECTION – A

1. Answer **any 10** sub questions. **Each** question carries **2** marks. (2×10=20)
- What do you mean by strategic goals ?
  - Define pricing.
  - What is dual pricing ?
  - Write the difference between explicit cost and implicit cost.
  - Give the meaning of capital budgeting.
  - Mention the traditional methods of evaluating investment decisions.
  - Why demand curve slope downwards ?
  - What is Giffin's paradox ?
  - What is unitary elasticity ?
  - Give the meaning of dumping.
  - What do you mean by break even point ?
  - Give the meaning of pay back period.

SECTION – B

Answer **any four** questions. **Each** question carries **8** marks. (8×4=32)

- What is game theory ? Write the characteristics of competitive game.
- Briefly explain the internal factor influencing the pricing policy.
- Explain the modern methods of evaluating investment decisions.
- From the following data, calculate TFC, TVC, AFC, AVC and MC.

Production (in units)	0	10	20	30	40	50	60
Total Cost (₹)	400	480	550	590	620	650	730

P.T.O.



6. With the help of following data, find out price elasticity of demand by adopting total outlay method and show the graphical representation.

	Price per unit (₹)	Quantity demanded (units)
a)	10	1000
	9	2000
	8	3000
b)	9	1000
	10	900
	8	1125
c)	8	1100
	9	1050
	10	1000

## SECTION – C

Answer **any 3** questions. **Each** question carries **16** marks.

**(16×3=48)**

7. Analyse the different methods of pricing.
8. What is demand forecasting ? What are the various methods of demand forecasting ?
9. The following are the details of a sugar factory sales (in thousand quintals).

Year	2006	2007	2008	2009	2010	2011	2012
Sales	80	90	92	83	94	99	92

(000' quintals)

Find :

- a) Trend values by the method of least square.
- b) Predict the sale for the year 2013 and 2014.
10. Bhagat Co. needs help to choose between 2 machines P and Q. The capital outlay of each machine is ₹ 50,000 anticipated cash in flow after Tax.

Year	Machine P	Machine Q
1	15,000	5,000
2	20,000	15,000
3	25,000	20,000
4	15,000	30,000
5	10,000	20,000

The present value of Re. 1 @ 10% is;

Year	1	2	3	4	5
PV	0.909	0.826	0.751	0.683	0.621

You are required to make appraisal of the two proposals under

- a) Pay back period
- b) Net present value.