

Seat No. : \_\_\_\_\_

# AC-101

April-2019

BBA, Sem.-IV

CC-212 : Managerial Economics-2

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Define perfect competition. Discuss short run as well as long run equilibrium of a firm under perfect competition. 14

OR

- (1) Define Monopoly. Discuss its features. 7  
(2) Define perfect competition. Discuss its features. 7

- (B) Multiple Choice Questions : (any Four) 4

- (1) Perfect competition has \_\_\_\_\_ number of sellers.  
(a) single (b) two (c) few (d) large
- (2) AR & MR under perfect competition are \_\_\_\_\_.  
(a) Horizontal (b) Vertical  
(c) Upward sloping (d) None
- (3) Equilibrium under perfect competition can be obtained when  $MR =$  \_\_\_\_\_.  
(a) MC (b) AC (c) TC (d) None
- (4) Which of the following is an example of monopoly ?  
(a) Samsung (b) Railway (c) Nokia (d) Bajaj
- (5) Firm under monopoly in the long run has \_\_\_\_\_.  
(a) Normal profits (b) Super Normal Profit  
(c) Loss (d) None
- (6) In which market, a firm is a price taker ?  
(a) Monopoly (b) Duopoly  
(c) Oligopoly (d) Perfect competition

2. (A) Define monopolistic competition. Discuss short run as well as long run equilibrium of a firm under monopolistic competition. 14

OR

- (1) Define Dumping. Discuss equilibrium of a firm under Dumping case.  
(2) What is price discrimination? When it is possible & profitable?

- (B) Multiple Choice Questions : (any Four) 4

- (1) Who developed the concept of monopolistic competition?  
(a) Keynes (b) Smith (c) Chamberlin (d) Marshall
- (2) Under monopolistic competition there are \_\_\_\_\_ firms in the market.  
(a) many (b) large (c) few (d) one
- (3) Demand curve under monopolistic competition is \_\_\_\_\_.  
(a) inelastic (b) elastic  
(c) perfectly elastic (d) unit elastic
- (4) Price discrimination is profitable when price elasticity of demand in different market is \_\_\_\_\_.  
(a) same (b) less than unity (c) different (d) none
- (5) Under which market we find selling and advertisement expenditure?  
(a) Perfect competition (b) Monopoly  
(c) Monopolistic competition (d) None
- (6) Under Dumping case a firm has to face \_\_\_\_\_ in the foreign or world market.  
(a) Monopoly (b) Duopoly  
(c) Oligopoly (d) Perfect competition

3. (A) Define Non-collusive oligopoly. Discuss Kinked demand curve model and Cournot's model under non-collusive oligopoly. 14

OR

- (1) Define Oligopoly. Discuss its features. 7  
(2) Define Cartel. Discuss Joint Profit maximization cartel in detail. 7

(B) Multiple Choice Questions : (any Three) 3

- (1) Who developed Kinked demand curve model ?  
(a) Smith (b) Sweezy (c) Samuelson (d) Keynes
- (2) The word Oligopoly is derived from which language ?  
(a) Latin (b) Greek (c) German (d) French
- (3) The Demand curve of a firm under oligopoly is \_\_\_\_\_.  
(a) Horizontal (b) Vertical (c) Determinate (d) Indeterminate
- (4) How many methods of price leadership are available ?  
(a) 1 (b) 2 (c) 3 (d) 4
- (5) Who presented Duopoly model of pricing ?  
(a) Cournot (b) Sweezy (c) Hitch (d) Pigou

4. (A) State different methods of pricing in detail. Discuss cost plus pricing and rate of return pricing in detail. 14

OR

- (1) What is Break even analysis ? Discuss its assumptions. 7
- (2) Discuss different objectives of a pricing policy. 7

(B) Multiple Choice Questions : (any Three) 3

- (1) Which formula is used to find B.E.P. in terms of output ?  
(a)  $\frac{F}{P - AVC}$  (b)  $\frac{P}{P - AVC}$  (c)  $\frac{F}{AVC - P}$  (d) None
- (2) Which formula is used to calculate contribution ratio ?  
(a)  $\frac{TR - TC}{TVC}$  (b)  $\frac{TR - TVC}{TVC}$  (c)  $\frac{TR - TVC}{TR}$  (d) None
- (3) At break-even points, the firm earns \_\_\_\_\_.  
(a) Super normal profits (b) zero profits  
(c) loss (d) none
- (4) Formula for Mark up cost is expressed as \_\_\_\_\_.  
(a)  $M = \frac{P - C}{C}$  (b)  $M = \frac{C - P}{P}$  (c)  $M = \frac{P - C}{P}$  (d) none
- (5) Rate of return pricing is also known as \_\_\_\_\_ pricing.  
(a) Target (b) Skimming (c) Going Rate (d) Customary