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 prefect 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. **7**

(2) What is price discrimination ? When it is possible & profitable ? **7**

(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) Discus 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