

Seat No. : _____

AE-121

April-2023

Int. MBA, Sem.-IV

Firms and Markets

Time : 2½ Hours]

[Max. Marks : 70

1. How does time element affect the price determination of a firm under Perfectly Competitive Industry ? Explain with the help of diagram. **14**

OR

- (a) Discuss the general equilibrium of a firm using MR-MC approach. How is MR-MC approach better than TR - TC approach ? **9**
- (b) Explain the shutdown point for a perfectly competitive firm. **5**
2. Discuss the meaning and main features of Monopoly. Draw and explain short-run equilibrium with the help of diagram. **14**

OR

- (a) How does a monopolist create allocative inefficiencies and social costs ? Explain. **7**
- (b) What is price discrimination ? Discuss the conditions under which price discrimination is possible and profitable. **7**
3. What is Selling costs ? What are its components ? How is it different than production costs ? How does selling costs affect demand curve of a monopolistic competitive firm ? Explain. **14**

4. What is Imperfect Collusion ? Why do firms resort to imperfect collusion ? Discuss how output and price is determined under imperfect collusion. **14**

OR

Write a note on the following : **14**

- (1) Cournot's Model of Duopoly
- (2) Dominant Price Leadership
5. What is meant by pricing practices ? Elaborate any two pricing methods related to Cost-Oriented Pricing with illustrations. **14**

OR

Explain the different pricing methods of Competition-Oriented Pricing. **14**