AD-129

April-2016

S.Y. MBA Integrated

Firms and Markets

Time : 3 Hours]   **[Max. Marks : 100**

Instructions :   (1)   Attempt **all** questions.
             (2)   Draw diagrams wherever necessary.
             (3)   Be neat and legible.

1.   (a)   Explain why the firm is in equilibrium when MR = MC and not TR = TC.   **14**

     (b)   Discuss the features of perfect competitions.   **6**

OR

     (a)   Define Market. Classify market on the basis of market structure.

     (b)   Write notes on :

           (i)   Supply curve of a PC firm and industry.   **6**

           (ii)   Modified versions of perfect competitions.   **4**

2.   (a)   Define monopoly and briefly outline the features of a monopoly market. Explain the statement with respect to a monopolist. "A monopolist need not search for an optimal scale of plant but should not make losses in the long run."   **10**

     (b)   Write notes on :

           (i)   Types of Monopoly **OR** First and second degree price discrimination   **4**

           (ii)   Social Cost of Monopoly   **6**

3.   Attempt any **two** of the following :

     (a)   Explain clearly forms of Non Price Competition in monopolistic competition.   **10**

     (b)   What is selling cost ? How are they different than production costs ? How do selling cost affect demand of a firms.   **10**

     (c)   Describe the Cournot's model and reaction curve approach of duopolist.   **10**

4. Write notes on any **four** : **20**
   (a) Features of oligopoly
   (b) Dominant Price Leadership
   (c) Prisoners Dilemma
   (d) Centralised Cartel
   (e) Price Rigidity

5. (a) Distinguish between cost plus pricing and marginal cost pricing. **10**
   (b) Explain any **two** in detail : **10**
       (i) Going rate pricing
       (ii) Administered pricing
       (iii) Cyclical pricing