

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

# MB-115

May-2022

M.B.A., Sem.-IV

Firms and Markets

Time : 2 Hours]

[Max. Marks : 50

- Instructions :** (1) Attempt any **three** questions out of **five** questions in Section-I.  
(2) Draw diagrams whenever necessary.

## SECTION – I

1. (A) What do you mean by Perfect Competition ? Discuss price determination of a Perfectly Competitive industry under different cost conditions. **10**  
(B) How is the short run Supply Curve of a competitive firm determined ? **4**
2. (A) What does Monopoly mean ? Discuss its features and types. **7**  
(B) Discuss the equilibrium of a Multiplant Monopoly. **7**
3. (A) Discuss the meaning and main features of Monopolistic market situation. Draw and explain the equilibrium of a Monopolistic firm with excess capacity. **10**  
(B) Write note on Non-Price Competition. **4**
4. (A) Differentiate between Collusive and Non-collusive Oligopoly. **4**  
(B) What is Price Rigidity ? How does Paul Sweezy's kinked demand curve model explain price rigidity of an Oligopoly firm ? **10**
5. (A) Elaborate on any two types of Cost- oriented Pricing method with illustrations. **7**  
(B) Discuss Administered Pricing and Dual Pricing. **7**

## SECTION-II

6. Attempt any **eight** Multiple Choice Questions out of **ten** Multiple Choice Questions : **8**
- (1) The demand curve faced by an individual seller in perfect competition, is
    - (a) Perfectly elastic
    - (b) Perfectly inelastic
    - (c) Relatively inelastic
    - (d) Unitary inelastic
  - (2) When total revenue exceeds total costs it is called
    - (a) Super Normal profit
    - (b) Normal profit
    - (c) Total Implicit cost
    - (d) Total Explicit cost
  - (3) One of the essential condition of monopoly market is :
    - (a) Many sellers and many buyers
    - (b) Product homogeneities
    - (c) Monopolist is a price-maker
    - (d)  $AR = TR$
  - (4) When the monopolist is able to sell each separate unit of the output at a different price to the same buyer it is called
    - (a) Price discrimination of the first degree
    - (b) Price discrimination of the second degree
    - (c) Price discrimination of the third degree
    - (d) None of the above
  - (5) Which of the following is not a characteristic of monopolistic competition ?
    - (a) A large number of sellers
    - (b) A homogenous product
    - (c) Ease of entry into industry
    - (d) Product differentiation
  - (6) In Oligopoly form of market, which one of the following does not hold true ?
    - (a) Advertising
    - (b) Interdependence
    - (c) Small number of large sellers
    - (d) Perfect knowledge among the buyers
  - (7) Long run profits under Monopolistic Competition are :
    - (a) Super normal
    - (b) Normal
    - (c) Non-super normal
    - (d) None of the above
  - (8) An Oligopolist faces
    - (a) Upwards sloping curve
    - (b) Kinked demand curve
    - (c) Horizontal demand curve
    - (d) Liner demand curve
  - (9) Which pricing method is widely used in retailing business ?
    - (a) Customary pricing
    - (b) Dual pricing
    - (c) Loss leaders
    - (d) Going – Rate pricing
  - (10) Marginal Cost Pricing implies that
    - (a) The price of the commodity is based on diminishing cost of production.
    - (b) The price of the commodity is based on constant cost of production.
    - (c) The price of the commodity is based on zero cost of production.
    - (d) The price of the commodity is based on incremental cost of production.