



Seat No. : _____

MP-201

May-2025

B.B.A., Sem.-IV

CC-212 : Managerial Economics

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Define Perfect Competition. Explain the features of Perfect Competition. 7
1. (B) Analyse the short run equilibrium of a firm under perfect competition. 7

OR

1. (A) What is Monopoly ? Describe the characteristics and types of Monopoly. 7
1. (B) Discuss the long run equilibrium of a monopoly firm with diagram. 7
2. (A) What is Price Discrimination ? When is it possible and profitable ? 7
2. (B) Write a short note on types of Price Discrimination. 7

OR

2. (A) Explain the meaning and characteristics of Monopolistic Competition. 7
2. (B) Explain how price is determined in the short run under Monopolistic Competition. 7
3. (A) What does Collusive Oligopoly mean ? Explain with diagram the joint profit maximization cartels. 7
3. (B) Explain with diagram the Kinky demand curve model of Oligopoly. 7

OR

3. (A) Critically discuss the non-collusive models of oligopoly. 7
3. (B) Explain with diagram Cournot's models of oligopoly. 7

4. (A) Explain the meaning of Break-Even Analysis. Clarify the usefulness of Break-Even Analysis. 7
4. (B) A firm ABC has the following financial data : 7

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(a) Production Cost :	
Variable	20,000
Fixed	6,000
(b) Selling Cost :	
Variable	2,000
Fixed	4,000
(c) Total Revenue	52,000

Find out the break-even point in terms of rupees.

OR

4. (A) What is going rate pricing ? Describe the advantages of going rate pricing. 7
4. (B) What does pricing strategy mean ? Discuss the main objective of pricing policy. 7

5. Answer the following questions : (Any seven) 14

- (1) Define Dumping.
- (2) What does product differentiation mean ?
- (3) In monopoly, MR is less than AR. Why ?
- (4) Price discrimination is profitable when price elasticity of demand in different market is

(a) Same	(b) Different
(c) Less than unity	(d) Greater than unity
- (5) Under Monopolistic competition

(a) $MR = MC$	(b) $MR > AR$
(c) $MR < AR$	(d) $MR \neq AR$
- (6) State the limitations of Price Leadership.
- (7) Who presented duopoly model of pricing ?

(a) A. Cournot	(b) Paul M. Sweezy
(c) R.L. Hall	(d) C.J. Hitch
- (8) State the assumptions of break-even analysis.
- (9) How many methods are there to compute BEP ?

(a) Two	(b) Three
(c) Four	(d) Five
- (10) What does skimming price mean ?
- (11) Define Mark-up Pricing.
- (12) Formula for full-cost pricing

(a) $P = C (1 + m)$	(b) $P = C \div (1 \div m)$
(c) $P = C + (1 + m)$	(d) $P = C (1 - m)$

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1. (A) Define Perfect Competition. Explain the features of Perfect Competition. 7
1. (B) Explain the diagram how price is determined in a Perfect Competitive Market. 7

OR

1. (A) What is Monopoly ? Describe the characteristics and types of Monopoly. 7
1. (B) Discuss the short run equilibrium of a monopoly firm with diagram. 7

2. (A) Explain the conditions necessary for the profitability of price discrimination. 7
2. (B) Explain with diagram the nature of equilibrium of a discrimination monopolist. 7

OR

2. (A) What is meant by Monopolistic Competition ? Explain price determination under monopolistic competition. 7
2. (B) Explain how price is determined in the short run under Monopolistic Competition. 7

3. (A) Explain with diagram the Kinky demand curve model of Oligopoly. 7
3. (B) Critically discuss the non-collusive model of Oligopoly. 7

OR

3. (A) Describe the main features of Oligopoly. 7
3. (B) What does price leadership mean ? Explain different forms of price leadership in Oligopoly. 7

4. (A) What is Break Even Analysis ? What are the assumptions of Break Even Analysis ? 7
4. (B) Discuss the limitations of Break Even Analysis. 7

OR

4. (A) What does Price Strategy mean ? Discuss the main objective of pricing policy. 7
4. (B) Explain Skimming price policy. Discuss the conditions necessary for the success of Skimming price policy. 7

5. Answer the following questions : (Any seven)

- (1) State the advantages of Price Leadership.
 - (2) Explain chart method of BEA.
 - (3) When is price discrimination possible ?
 - (4) For a firm under perfect competition
 - (a) $MR < AR$
 - (b) $MR > AR$
 - (c) $MR = AR$
 - (d) $MR \neq AR$
 - (5) Who developed the concept of monopolistic competition ?
 - (a) Marshall
 - (b) Johan Robinson
 - (c) Chamberlin
 - (d) Stigler
 - (6) A firm that initiates a change in price under oligopoly market is called
 - (a) Price maker
 - (b) Price taker
 - (c) Price leader
 - (d) Price setter
 - (7) Formula for contribution ratio
 - (a) $\frac{TR - TVC}{TR}$
 - (b) $\frac{TR - TVC}{TFC}$
 - (c) $\frac{TR + TVC}{TR}$
 - (d) $\frac{TR - TFC}{TR}$
 - (8) Write a short note on the life cycle of a product.
 - (9) What is Dumping ?
 - (10) Which formula is used to find price under cost-plus pricing ?
 - (11) Define Target Pricing.
 - (12) Who developed Kinked demand curve model ?
 - (a) Smith
 - (b) Sweezy
 - (c) Samuelson
 - (d) Keynes
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