AR-101

April-2022

BBA, Sem.-IV

CC-212 : Economics

(Managerial Economics-II)

Time : 2 Hours]   **[Max. Marks : 50**

Instructions :   (i)   All Questions in Section-**I** carry equal Marks.
              (ii)   Attempt any two Questions in Section-**I**.
              (iii)   Question **5** in Section-**II** is Compulsory.

Section – I

1. (a) Define Perfect Competition. Explain the short run equilibrium of firm under Perfect Competition with diagrams. **(10)**
   (b) Discuss the features of Perfect competition. **(10)**

2. (a) Define Monopolistic competition. Explain the Short run equilibrium of firm in Monopolistic competition. **(10)**
   (b) Define Price discrimination. When it is possible and profitable ? Explain. **(10)**

3. (a) Explain the characteristics of Oligopoly Market. **(10)**
   (b) Write a note on Price leadership. **(10)**

4. (a) Write a note on Break-even Analysis. **(10)**
   (b) Discuss the Objectives of Pricing policies. **(10)**

Section – II

5. MCQs : (any **ten**) **(10)**
   1. Which of the following is not an essential condition of pure competition ?
      (a) Absence of transport cost   (b) Identical products
      (c) Freedom of entry   (d) Large Number of buyers and sellers

   2. Under Perfect competition,
      (a) AR=MR   (b) AR>MR
      (c) AR<MR   (d) AR is not equal to MR

   3. Under Monopoly the firm gets _____ in long run.
      (a) Abnormal Profit   (b) Normal Profit
      (c) Loss   (d) None of the above

4. Dumping is an example of :
   (a) Personal discrimination   (b) Trade discrimination
   (c) Local discrimination   (d) Product based discrimination

5. Which formula is used to find out MR based on a given price and value of price elasticity of demand ?
   (a) MR=P.E   (b) MR=P(e+l/e)
   (c) MR=P(e–l/e)   (d) MR=p/E

6. Who developed the concept of Monopolistic competition ?
   (a) Marshall   (b) Robinson
   (c) Chamberlin   (d) Stigler

7. Monopolistic competition differs from Perfect competition mainly due to
   (a) Easy entry   (b) Large numbers of buyers
   (c) Product differentiation   (d) None

8. Excess capacity is found in _____.
   (a) Perfect competition   (b) Monopoly
   (c) Monopolistic competition   (d) Duopoly

9. How many models of price leadership are available ?
   (a) 1   (b) 2
   (c) 3   (d) 4

10. The demand curve facing a firm under oligopoly is
    (a) upward sloping   (b) horizontal
    (c) indeterminate   (d) determinate

11. Rate of pricing is also known as _____ pricing.
    (a) Target   (b) Peak load
    (c) Skimming   (d) None of the above

12. A firm that initiates a change in price under oligopoly market is called
    (a) Price leader   (b) Price taker
    (c) Price maker   (d) Price setter

13. At Break-even point the firms earn _____.
    (a) Normal Profit   (b) Loss
    (c) Abnormal profit   (d) None of the above

14. Who presented duopoly model of pricing ?
    (a) A. Cournot   (b) Paul M. Sweezy
    (c) R.L. Hall   (d) C.J. Hitch

15. Which method(s) is/are used to compute the BEP ?
    (a) formula   (b) chart
    (c) volume of output   (d) All of the given

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