

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2022-23 Examination

Semester: 04**Date: 20/03/2023****Subject Code: 06101254****Time: 10:30am****Subject Name: Managerial Economics - II****Total Marks :60****Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.**A) Multiple choice type questions/Fill in the blanks. (Each of 1 mark)****(05)**

1. In monopoly market, Marginal Revenue and Average Revenue both are diminishing but _____.

- a) MR falls more rapidly than AR c) MR falls less rapidly than AR
b) MR falls at the same rate as AR d) none of the above

2. Which of the following assumption is followed in the Kinked Demand Curve model _____.

- a) An increase in price by the firm is followed by others c) A decrease in price by the firm is not followed by others
b) An increase in price by the firm is not followed by others d) Firms collude to fix the price

3. In which of the following pricing method a product is offered at lowest price initially and afterwards price is gradually increased _____?

- a) Skimming pricing c) Penetration pricing
b) Full cost pricing d) Going rate pricing

4. Which of the following are features of Breakeven point?

- a) There is no loss and no profit to the firm. c) Total revenue is equal to total cost
b) Contribution is equal to fixed cost. d) All of the above

5. Following are key features of monopoly except _____.

- a) Diseconomies of scale c) influence over price
b) no close substitutes d) barriers to entry

B) Define the following. (Each of 1 mark)**(05)**

1. Equilibrium
2. Price Discrimination
3. Kinked Demand Curve
4. Cartel
5. Skimming Pricing

C) Direct questions. (Each of 1 mark)**(05)**

1. Provide examples of Monopoly market.
2. List down the conditions of equilibrium of price discrimination.
3. What is Excess capacity in monopolistic competition.
4. Provide the formula of Break Even Point in Units.
5. Define Non-Collusive oligopoly.

Q.2 Answer the following questions.

A) Discuss under which conditions perfectly competitive firm can attain equilibrium condition in short run. **(07)**

