Seat No:_____

PARUL UNIVERSITY FACULTY OF MANAGEMENT BBA Summer 2022-23 Examination

Semester: 04 Subject Code: 06101254 Subject Name: Managerial Economics - II

Date: 20/03/2023 Time:10:30am Total Marks :60

| Instr | ructions | | |
|--|--|------|--|
| 1. All questions are compulsory. | | | |
| 2. Figures to the right indicate full marks. | | | |
| 3. Make suitable assumptions wherever necessary. | | | |
| 4. Sta | art 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 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 c) A decrease in price by the firm is not followed by others b) An increase in price by the firm is not d) Firms collude to fix the price followed by others | | |
| | 3. In which of the following pricing method a product is offered at lowest price initially and after wards 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 c) Total revenue is equal to total cost firm. 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) 1. Equilibrium 2. Price Discrimination 3. Kinked Demand Curve 4. Cartel 5. Skimming Pricing | (05) | |
| 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) | |

| B) | Write an explanatory note on characteristics of monopolistic competition. | (08) |
|-----|---|------|
| Q.3 | Answer the following questions. | |
| A) | State the assumptions of Kinked demand curve model and illustrate the model in detail using | (07) |
| B) | Write an explanatory note using suitable examples on: | (08) |
| | a. Skimming pricing b. Penetration pricing | (00) |
| Q.4 | Attempt any two questions. (Each of 7.5 mark) | (15) |
| | | |

1. List down the conditions of long run equilibrium under monopoly and explain with the help of suitable diagrams.

2. Characterize dumping and discuss how it is operated in two distinct nations markets giving appropriate example.

3. What is collusive oligopoly and describe different types of price leadership model of oligopoly.

4. Alfa textiles limited has started its operation in the year 2018. As it is new in the market it wants to identify the level of sales at which It will evenly Break. As an economist advice the company about future course of action using Break Even Analysis.

The company has supplied following information:

Variable cost : Materials per unit : Rs. 60 ,Wages per unit : Rs. 120 , Variables Charges per unit : 50% of materials.

Fixed Cost per annum is assumed to remain Rs. 6,00,000. The Company is planning to set its selling Price per unit at Rs. 400.

Also help company to identify the number of units should be sold to earn Rs. 5,40,000 Profit. Present the above case using diagram.