

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA., Winter 2018-19 Examination

Semester: 4

Subject Code: 06101254

Subject Name: Managerial Economics – II

Date: 08-12-2018

Time: 02:00 pm to 04:30 pm

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) Price discrimination is profitable when price elasticity of demand in different markets is
 - a) Same
 - b) less than unity
 - c) Different
 - d) more than unity
- 2) In Which of the following market, firm is a price taker?
 - a) Perfect Competition
 - b) Oligopoly
 - c) Monopoly
 - d) Monopolistic Competition
- 3) Who presented duopoly model of pricing?
 - a) Augustin Cournot
 - b) R.L. Hall
 - c) Paul M.Sweezy
 - d) C.J. Hitch
- 4) The formula used to find out BEP in terms of sales value is _____.
 - a) $TVC / \text{Contribution ratio}$
 - b) $TFC * \text{Contribution ratio}$
 - c) $TFC / \text{Contribution ratio}$
 - d) $TFC - \text{Contribution ratio}$
- 5) The demand curve facing a firm under Oligopoly is _____.
 - a) Downward sloping
 - b) Indeterminate
 - c) Upward Sloping
 - d) determinate

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

(05)

- 1) Break Even Point
- 2) Cartel
- 3) Duopoly
- 4) Skimming Pricing
- 5) Price Discrimination

C) Direct questions. (Each of 1 mark)

(05)

- 1) Dumping
- 2) Give two examples of monopoly market.
- 3) List down any four features of Perfect Competition.
- 4) List down any two conditions of Price Discrimination.
- 5) What is full cost pricing?

Q.2 Answer the following questions.

A) Discuss the short run equilibrium of a firm under perfect competition

(07)

B) Illustrate with use of diagram, Dumping – a case of International price discrimination.

(08)

Q.3 Answer the following questions.

A) Explain Cournot's model of duopoly using diagram and also state its assumptions. (07)

B) KINAK Limited's Status is as follows : (08)

- (i) Production – 9,000 Units
- (ii) Fixed Cost – Rs. 60,000
- (iii) Variable cost per unit – Rs. 10
- (iv) Selling Price per unit – Rs. 20

Using above information calculate :

A) Break Even Point in units and in sales revenue.

B) What shall be new BEP of there is a reduction of 10% in selling price?

C) To Obtain a profit of Rs. 40,000 how many units should company sell?

Q.4 Attempt any two questions.(Each of 7.5 mark) (15)

- 1) Describe the features of monopoly.
- 2) Discuss Price Leadership Model.
- 3) Write a note Joint Profit Maximization Cartel of collusive oligopoly.
- 4) Write an explanatory note on:
 - (i) Cost Plus Pricing
 - (ii) Skimming Pricing