

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA, Winter 2017 - 18 Examination

Semester: 4
Subject Code: 06101254
Subject Name: Managerial Economics - II

Date: 29/12/2017
Time: 10:30AM to 01:00PM
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 (Each of 1 mark) (05)**

1. For a firm under perfect competition

a) $MR < AR$	c) $MR > AR$
b) $MR = AR$	d) $MR = AR$
2. Dumping is the example of

a) Personal Discrimination	c) Trade Discrimination
b) Local Discrimination	d) Product Based Discrimination
3. The demand curve facing a firm under oligopoly is

a) downward sloping	c) horizontal
b) determinate	d) indeterminate
4. At the break even point, the firm-

a) covers total variable cost fully	c) earns abnormal profit
b) makes losses	d) earns normal profit
5. Formula for full cost pricing

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

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

1. Perfect Competition
2. Price Discrimination
3. Collusive Oligopoly
4. Skimming Pricing
5. Marginal Revenue

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

1. What is Duopoly?
2. Write any four characteristics of Monopolistic Competition
3. Distinguish between Sector and Industry
4. Any two advantage of Price Leadership
5. Write formula of BEP in terms of volume of output

Q.2 Answer the following questions.**A).Discuss the process of price and output determination under monopoly. (07)****B).Explain with diagram the nature of equilibrium of a discriminating monopolist. (08)**

Q.3 Answer the following questions.

A). Explain with diagram the kinky demand curve model of oligopoly. **(07)**

B). A firm XYZ has the following financial data: **(08)**

i) Production Cost: Rs.

Variable : 20,000

Fixed : 5,000

ii) Selling Cost

Variable : 5,000

Fixed : 2,500

iii) Total Revenue

(Sales Proceeds) 50,000

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

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

1. What does equilibrium of the firm under perfect competition mean? Elucidate with the help of diagram general conditions of the equilibrium of a firm.
2. What is meant by monopolistic competition? Explain price determination under monopolistic competition.
3. Explain with diagram Cournot's model of duopoly.
4. What is going rate pricing? How it is different from cost plus pricing?