

Time : 2 hrs

CODE - VENTER

Mark : 50

- N.B. :**
- i) Question No. 1 is compulsory.
 - ii) Answer three questions from Q.2 to Q.7
 - iii) Attempt four questions in all
 - iv) Figures to the right indicate marks.

- Q.1 a)** Fill in the blanks. 5
- i) Under perfect competition Average revenue is _____ to marginal revenue.
 - ii) Full cost pricing is also known as _____
 - iii) When price is equal to _____, losses are minimum.
 - iv) Monopolist can earn _____ profits even in the long period.
 - v) Expenditure on advertising and publicity of a product is _____ cost.

- Q.1 b)** Match the following 5
- | A | B |
|--------------------------------|------------------------|
| i) Perfect competition | a) Very short period |
| ii) Monopoly | b) Homogeneous product |
| iii) Monopolistic competition | c) Secular period |
| iv) Perfectly inelastic supply | d) Barriers to entry |
| v) Cost of storage | e) Excess capacity |
| | f) Reserve price. |
- c) If TFC is Rs. 5,000/- price is Rs. 30/- and AVC is Rs.25/- what is the break even output ? 4

- Q.2 a)** Explain the nature of Total revenue curve, Average revenue curve and marginal revenue curve under perfect competition and monopoly. Bring out the relation between Total revenue and marginal revenue. 8
- b) When MR is 30 Rs. elasticity of demand is 3,what is AR ? 4

- Q.3 a)** Explain MR - MC approach to equilibrium of a firm. 6
- b) Discuss profit maximisation objective of a firm. 6

- Q.4 a)** Discuss shut down position of a competitive firm. 6
- b) What are the features of perfect competition ? 6

- Q.5 a)** What are the types of monopoly ? 6
- b) Explain long run equilibrium under monopoly. 6

- Q.6 a)** Explain the process of dumping and distinguish between Price discrimination and Dumping 8
- b) Distinguish between Market price and normal price 4

OR

- Q.6** Explain Marshallian four period analysis of determination of value. 12

- Q.7** Write notes on (Any two) 12
- i) Equilibrium price
 - ii) Marginal cost pricing
 - iii) Features of monopolistic competition
 - iv) Wastes of monopolistic competition.

