

B.V. Patel Institute of Business Management, Computer & Information Technology
Uka Tarsadia University
2nd Internal Examination, BCOM - 1st Semester
030100124: Micro Economics

Date: 9/10/2017

Marks: 50
Time: 2 hrs.

Q-1 Answer the following. (Any Eight)

[16]

1. Explain the concept of 'absence of close substitutes' in monopoly.
2. What is monopoly? Give an example.
3. Define monopolistic completion. State few industries where monopolistic completion is followed.
4. Briefly explain the three types of price discrimination.
5. Differentiate between Perfect competition and Monopoly.
6. Draw Equilibrium condition of a firm when it earns minimum losses for monopoly completion.
7. State all the sources of monopoly.
8. State the characteristics of oligopoly competition.
9. What is price rigidity? State any two reasons for price rigidity.

Q-2 Answer the following. (Any Two)

[20]

1. What is game theory? Explain prisoner's dilemma with the help of payoff matrix.
2. When is price discrimination possible? When is price discrimination profitable?
3. Explain equilibrium of a firm under monopolistic in short and long run period.

Q-3 Answer the following in detail. (Any Two)

[14]

1. Draw and explain the diagram of price and output equilibrium of a firm, when it earns super normal profit and normal profit in monopoly market.
2. What is oligopoly? Discuss in detail kinked demand curve.
3. What are the objective of product differentiation? What are the sources of product differentiation?