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SARDAR PATEL UNIVERSITY
SY BBA (IV SEM) (CBCS) EXAMINATION
Monday, 16th April 2012
3 - 5 pm
UM04CBBA03 / 08: Economic Analysis II

Total Marks: 60**Note:** Figures to the right indicate full marks.

Q.1

- (A) Discuss the Properties of indifference curves. [07]
 (B) Explain the Law of Diminishing Marginal Rate of substitution with the help of indifference curve analysis. [08]

OR

Q.1

- (A) Explain the consumer's equilibrium with the help of indifference curves. [07]
 (B) Compare the Welfare implications of direct and indirect tax on an individual by using indifference curve. [08]

Q.2

- (A) "A monopolist is a price maker"- Elucidate. [07]
 (B) Explain price-output determination in short run under monopoly. [08]

OR

Q.2

- (A) What is a Discriminating Monopoly? Under what conditions is discrimination possible and profitable? [07]
 (B) Explain giving examples first degree, second degree and third degree price discrimination. [08]

Q.3

- (A) Explain the characteristics of monopolistic competition. [07]
 (B) Explain the effects of Selling Costs on demand curve. [08]

OR

Q.3

- (A) Explain why the demand curve under monopolistic competition is more elastic than that under monopoly. [07]
 (B) Write short note: Excess Capacity. [08]

Q.4

- (A) Examine the significance of a Firm's kinked demand curve in the theory of price under oligopoly. [07]
 (B) Define the concept of 'Cartel'. Explain Equilibrium under Cartel. [08]

OR

Q.4

- (A) Discuss the different types of price leadership in oligopoly market. [07]
 (B) Explain price war model of Bertrand. [08]

