PEOPLE'S EDUCATION SOCIETY'S
DR. AMBEDKAR COLLEGE OF COMMERCE AND ECONOMICS WADALA, MUMBAI

DEPARTMENT OF ECONOMICS

GUIDANCE LECTURE FOR F.Y.B.COM II SEMESTER

DATE: 01-04-2023

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Question paper pattern

Q.1. (A) MCQs (Any Ten Out of Twelve) --------------(10 Marks)
Q.1. (B) TRUE or FALSE   -------------------------(10 Marks)

Q. 2. Attempt A and B or C and D --------------------(15 Marks)
Q. 3. Attempt A and B or C and D --------------------(15 Marks)
Q. 4. Attempt A and B or C and D --------------------(15 Marks)
Q. 5. Attempt A and B or C and D --------------------(15 Marks)

Total   100 Marks

Q. Describe the features of Perfect Competition.

ANS:
   1. Large number of buyers and sellers
   2. Homogeneous product
   3. Free entry and Exit to the firm
   4. Perfect Knowledge of the Market
   5. Perfect mobility of the factors of production
   6. No Transport Cost

Q. Discuss different sources of Monopoly Power.

ANS:

       1. Natural Monopoly

       2. Control over Critical inputs.

       3. Technology.

       4. Legal Protection.

       5. Cartel formation.

       6. Price policy

Q. IF PRICE = 20, CALCULATE TR, AR, MR AND MC UNDER PERFECT COMPETITION

BY USING FOLLOWING DATA.

Output (Q)	0	1	2	3	4	5	6	7	8
TC	70	85	95	115	140	170	205	245	290

ANS:

Output (Q)	TC	Price	TR	AR	MR	MC
0	70	20	0	20	20	0
1	85	20	20	20	20	15
2	95	20	40	20	20	10
3	115	20	60	20	20	20
4	140	20	80	20	20	25
5	170	20	100	20	20	30
6	205	20	120	20	20	35
7	245	20	140	20	20	40

Q. CALCULATE TR, AR AND MR UNDER MONOPOLY MARKET BY USING FOLLOWING DATA.

Quantity Sold (Q)	1	2	3	4	5	6	7	8
Price (P)	20	19	18	17	16	15	14	13

ANS:

| Quantity sold (Q)	Per unit price (P)	TR	AR	MR
1	20	20	20	00
2	19	38	19	18
3	18	54	18	16
4	17	68	17	30
5	16	80	16	12
6	15	90	15	10
7	14	98	14	08
8	13	104	13	06

Q. What are the features of monopolistic competition.

ANS:

    1. Many Sellers

    2. Close substitute

    3. Selling Cost.

    4. Free entry and Exit

    5. Nature of Demand curve

    6. Product differentiation

Q. EXPLAIN LONG-RUN EQUILIBRIUM OF THE FIRM UNDER MONOPOLISTIC COMPETITION.

Long-Run Equilibrium
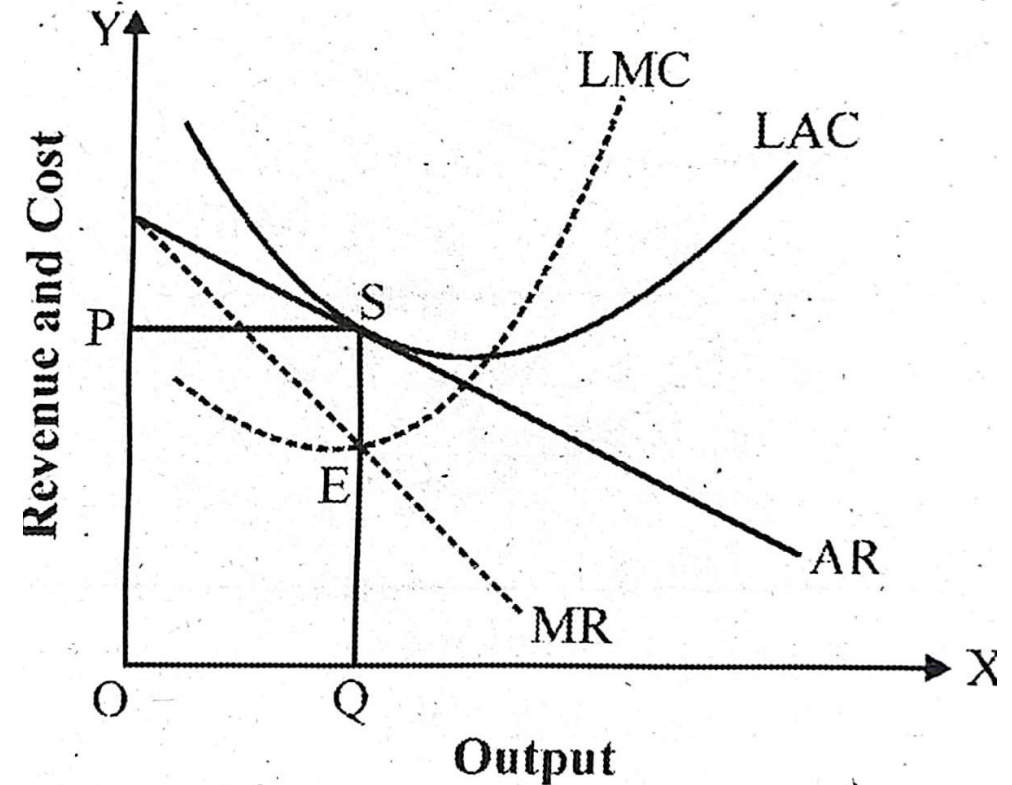
Q. WHAT ARE THE DIFFERENT DEGREES OF PRICE DISCRIMINATION?

- First Degree Price Discrimination:

- Sellers sell same commodity to the different buyers at different price….

- Second Degree Price Discrimination:

- When each consumer is charged highest price….

- Third Degree Price Discrimination:

- When different price is charged in different markets ……

Q. WHAT ARE THE CONDITIONS FOR PRICE DISCRIMINATION?
ANS:

1.non-Transferability of goods.

2. Geographical distance.

3. Political Barriers.

4. Tariff Barriers

5. Ignorance

6. Negligible price Discrimination

7. price-quality link

8. Location

9. Government Sections