

Time: 3Hours

Marks: 100

- N B. 1. All Questions are compulsory. 2. All questions have internal choice.  
3. Draw neat diagrams wherever necessary. 4. Use of simple calculator is permitted.  
5. Figures to the right indicate full marks.

1. A) Choose the most suitable answer from the given options and rewrite the statements (10)  
(any Ten)

- i. Which of the following does not determine the structure of a market ?  
a) Nature of commodity b) Number of sellers  
c) Use of selling cost d) None of these
- ii. A competitive firm will maximize profit at the level of output at which Marginal revenue equals  
a) Average cost b) Average variable cost  
c) Total cost d) Marginal cost
- iii. Demand for a monopoly firm's product is  
a) Perfectly inelastic b) Perfectly elastic  
c) Relatively inelastic d) Relatively elastic
- iv. Selling cost helps a firm under Monopolistic competition  
a) To increase demand for the product b) To widen the market  
c) To create awareness of the product d) All of these
- v. Which of the following is not a pattern of Oligopoly behaviour  
a) Price war b) Non price competition  
c) Price leadership d) Price control
- vi. Firms in Oligopoly market have a \_\_\_\_\_ demand curve  
a) Horizontal b) Vertical  
c) Indeterminate d) Discontinuous
- vii. Which of the following is not an objective of price policy ?  
a) Survival b) Profit  
c) Market share d) None of these
- viii. Price discrimination is generally practiced under  
a) Perfect competition b) Monopoly  
c) Monopolistic competition d) Oligopoly
- ix. Which of the following is a determinant of price ?  
a) Market structure b) Objectives of the firm  
c) Government policies d) All of these
- x. A project indicates investment in  
a) A new business b) Expansion of existing business  
c) Both of these d) Neither of these
- xi. Capital budgeting relates to  
a) Pricing of products b) Borrowing of funds  
c) Long term investment d) Short term investment
- xii. A project is more likely to be accepted if the Discounted Present Value is  
a) More than investment b) Less than investment  
c) Equal to investment d) Equal to Zero

1. B) State whether the following statements are true or false (any Ten) (10)

- i. A market is a well-defined geographical area where buyers and sellers meet.
- ii. Under Perfect competition, average revenue is always equal to marginal revenue.
- iii. In Monopoly, the firm and industry are one and the same.



