ctions :

(1) Question No. 1 is compulsory. Attempt Any 3 Questions from the remaining.
(2) Figures to the right indicate full marks.
(3) Draw neat diagrams wherever necessary.

A) **State True or False with reasons :-** [8]

1) Average Revenue and Price are always different.
2) At Break-Even point, price is equal to average variable cost.
3) Oligopoly is an unrealistic market.
4) Under monopoly AR curve is below MR curve.

B) **Select the correct answer from the alternatives given :-** [7]

1) __________ revenue is total sale of certain amount of commodity at a given time.
(Total, Average, Marginal, Incremental)
2) The __________ profit is the minimal income which the entrepreneur must get in order to stay in business. (Maximum, subnormal, Normal, Excess)
3) In the long run all cost are __________. (Fixed, variable, semi-variable, avoidable)
4) A monopolist is a price __________. (taker, maker, breaker, neither)
5) In perfect competition at any given time, price for a commodity is __________.
(same, different, discounted, heterogenous)
6) In oligopoly market there are __________.
(many sellers, few sellers, single seller, no seller.
7) Classical way of charging a price for a commodity is __________.
(price discrimination, full cost pricing, transfer pricing, neutral pricing)

Q.2. A) Bring out the relationship between TR, AR and MR under monopoly competition.

B) Explain the equilibrium of a firm with the help of MR and MC approach.

Q.3. A) Explain short-run equilibrium of a firm under Identical cost.

B) Case study :

Vijay Sales sells an Alarm clock for Rs. 10/- each, the variable cost per unit is Rs. 4/- and the fixed costs are Rs. 4,80,000/- per year before modernisation. Vijay Sales wants to carry out the modernisation of the existing plant. If the modernisation is carried out the new plant would have fixed cost of Rs. 6,30,000 per year but its variable cost would fall to Rs. 3/- per unit.

1) Calculate the break even quantity of the old plant.
2) Find out the break even point after the modernisation.
3) If the company wants to break even at the same quantity as with the old plant, what price would it have to charge for an Alarm clock after the modernisation ?

4. A) Explain the short run and long run equilibrium of a firm under monopolistic competition.

B) State the features of oligopoly.

Q.5. A) Explain the conditions for price discrimination.

B) Case study :-

A company wants to invest Rs. 10,000/- in a project. The project is estimated to have the following expected annual cash flows.

Year	Cash Flow (in Rs)
2	4000
3	4500
4	3000
5	2000

Calculate the following :

(i) Pay-Back Period

(ii) Net Present value (cost of capital is 10%)

.6. Write short notes on (Any 2)

1) Growth Maximisation

2) Marginal Cost Pricing

3) Need for Project Planning

*** THE END ***