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**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

End Semester Examination, December 2018

Program: BA Energy Economics

Subject (Course): Industrial Economics

Course Code : ECON1004

Semester : I

Max. Marks : 100

Duration : 3 Hrs

**Section A**

Note- Answer *all* the questions below. Each question has 2 marks.

1	Which of the following is not a long run concept? A. Expansion Path B. Isoquant C. Returns to scale D. Law of variable proportions	CO2
2	In the long run a monopolist would always: A. Incur losses B. Super normal profit C. Lower its price D. Earn at least normal profit	CO1
3	In perfect competitive market a firm in the long- run operates at A. $AC = MC$ B. $MR = MC$ C. $AR = MR$ D. $P = AR = MR = AC = MC$	CO4
4	Cross elasticity of demand is: A. Negative for complementary goods B. Negative for substitute goods. C. Unitary for inferior goods. D. Positive for inferior goods	CO3
5	A perfectly competitive firm has control over A. price B. production as well as price C. production, price and consumers D. none of the above	CO4

### Section B

Note- Answer *all* the questions below. Each question has 5 marks.

1	What is a Dead weight loss (Social Cost) of Monopoly? Illustrate your answer with help of Diagram.	CO3
2	What do you mean by Producer's equilibrium? Illustrate your answer with help of diagram	CO4
3	Explain Firm Equilibrium under perfect competitive market and Monopoly Market. Illustrate your answer with help of Diagram	CO1
4	Explain the relationship between average Revenue (AR), marginal Revenue (MR) and price elasticity of demand (Ep)	CO2

### Section C

Note- Answer *all* the questions below. Each question has 10 marks.

1	Discuss the interactive framework of Structure- conduct performance	CO2
2	<b>Explain the small-scale industry development programs.</b>	CO3
3	<b>Define Integration. Describe different methods of Integration</b>	CO2
4	Distinguish between simple and Discriminating monopoly. Show graphically how a discriminating monopolist attains equilibrium	CO4

### Section D

Note- Answer *all* the questions below. Each question has 30 marks.

1	How is monopoly power measured? State Lerner's measure of degree of monopoly power. Show that degree of monopoly power inverse of the price elasticity of demand	CO4
2	<b>Discuss the meaning and determinants of barrier to entry.</b>	CO3