14 (ECO–3) 3056

2022

ECONOMICS

Paper : ECO–3056

(*Industrial Economics*)

Full Marks : 80

Time : Three hours

The figures in the margin indicate
full marks for the questions.

1. Answer the following questions :   5×4=20

    (a) Give a brief description of different
        types of transaction costs with suitable
        example.

    (b) How is the entropy index used for
        measuring market concentration ?

    (c) What are 'forward integration' and
        'backward integration' under vertical
        diversification ?

    (d) What changes were introduced in
        India's public sector by the reforms of
        1991 ?

2. Answer **any three** of the following : 10×3=30

(a) How is the firm defined in the behavioural model of Cyert and March ? Discuss different means adopted by the firm for resolution of conflict among different groups.   2+8=10

(b) Elaborate on the conduct of firms under oligoply.

(c) Define 'vertical integration' in market structure. Discuss various indices through which vertical integration can be measured.   3+7=10

(d) Why are pricing decisions important for a firm ? Explain critically the full cost pricing procedure followed by a firm.
2+8=10

(e) Given the place of production, examine how Palander explains the determination of the extent of market area of firms.

3. Answer **any two** of the following : 15×2=30

(a) How are the alternate theories of the firm different from the neo-classical theory of the firm ? In the same context, examine Baumol's sales revenue maximisation model for a single-product firm.   5+10=15

(b) Examine in detail the net present value (NPV) criterion of evaluating an investment project. How can risk and uncertainty be incorporated in investment appraisal? 10+5=15

(c) Highlight the main sources of industrial finance. Explain how liquidity ratios and profitability ratios illustrate the financial health of companies.

5+10=15

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