

[This question paper contains 2 printed pages.]

Sr. No. of Question Paper : 6065

Your Roll No.....

Unique Paper Code : 248302

Name of the Paper : Industrial Economics

Name of the Course : **B.A. (Hons) Business Economics, 2016**

Semester : III

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions.
3. **All** questions carry equal marks.
4. Illustrate your answer with suitable diagrams, wherever required.
5. The number of marks carried by each question is indicated at the end of the question.
6. Both parts of each question must be done together.

1. Critically evaluate various concentration indices highlighting the appropriateness of each index in different market situations. Which index satisfies most of the criteria laid down by Hannah and Kay ? (15)
2. "The use of non-price strategic entry-deterrence by established firms has gained importance in recent years." Explain with suitable diagram. (15)
3. When inventions lead to drastic cost reductions, the incentive to invent is stronger for competitive industries. Discuss in the light of arguments given by Arrow and Demsetz ? (15)

P.T.O.

4. If output X is produced by a competitive industry using two inputs A and B, where A is supplied by a monopolist and B is supplied competitively, does the monopolist have an incentive to take over production of X ? (15)
5. Discuss the consequences of diversification. How does diversification affect society ? (10+5)
6. Differentiate between Scale Economies and the Stochastic Approach to Concentration in industries. (15)
7. Write short notes on any **three** : (5×3=15)
 - (i) Product Proliferation as an entry barrier
 - (ii) Mansfield theory of diffusion
 - (iii) Stigler's Life Cycle Hypothesis
 - (iv) SCP Paradigm