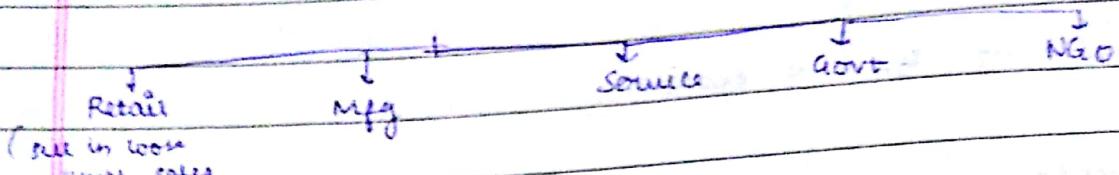


Type of Business Organisations

make an effort
to grow

any entity having
some system



→ 1st Note advantage: jo pehle aayega market me, they're some advantage

Forms of Ownership:

- ① private sector → govt represent the public
- ② Public sector
- ③ Joint sector (public-private partnership)

* Public Ltd. Company: One which is listed in stocks market (not necessarily govt. company)

- Partnership: upto 20
- Joint Hindu: Head of family heads the business & passes to next gener.
- Joint stock: listed in stocks market
- co-operation: support each other

6-3-18

- Non-profitable: whatever profit earned is plugged back into system
- Business Organisations: profit isn't their goal but it is required for proper running
- Apart from NGO, all have diff. objectives where profit is embedded in their objective

1. Sole Proprietorship

- Business just started, at its initial stage
- Members : - Only owner
- simple & easy to start & exit
- Quick decision making
- undivided profits
- Unlimited liability :- loss will be yours only. The liability to pay loss will fall on you only.
- Ltd. funds
- uncertain life of business

2. Partnership

- associated b/w 2 or more persons who have agreed to operate a business
- Members : 2 - 20 : non-banking business
2 - 10 : business "
- Ex : & Sons, & Brothers
- Easy form
- Disad. If business is loss, liability is on all members, irrespective of their contributions
- distrust

Price waterhouse : later became corporation

To 'Audit ke liye famous hai'

3. Joint Hindu Family

- comprises of father, mother, sons, daughters, grandson, granddaughters
- More dominate in this type of organisations

4. Joint Stock Company / A company (corporate)

→ Stock market me listed shares registered honge

↓
wealth is divided into small
units, you send it to common
people → interest free

→ ~~no~~ member : 7 to ∞

→ why buy shares?

- Company shares their profit in form of dividend
- can sell shares when prices ↑

seller : kal price + sarkar h = bearish] transaction
where both views meet

buyer : — + — : bullish]
↑
bear & boot

continuously simultaneous selling & buying take place.

→ Ownership & people managing company are different

↓
↓

you, because you
brought a share

CEO, jo company
chalaate h.

3) how much stake of ~~total~~ company you have decides
whether you can influence the company's decisions

Stake

Promoter Stake

join company
banayi hai

Controlling Stake

while appointing Board of Members,
you can affect decision making
jo company chalaat join
shares shareede h.

→ Pvt. Ltd. : do have shares but can be held by only
members of company. (stock market me listed nahi hogा)
Members : 2-50

who start company

- paid up capital : atleast 5 lac rupees they have to contribute
- in Pvt. Ltd. : 1 lac

→ Tata Capital : non-banking
 jinka core kaam banking nahi h.

→ IPO : 1st listed as company in stock market

5. Co-operative Society

Ex. Co-operative Housing Society, AMUL,

Co-operative banks : ROI ↑ but fraud ↑
 not being registered under RBI seems very popular

6. Multi-national Companies (MNC)

Visa > GDP of Zimbabwe

Slide 22 Retail, Reliance, Auto motors

7. Non-Profit Organisations

Ex. Wipro : running some project to ↑ literacy.

8 | 3 | 8

Price Scheming: Initially, when a product is launched, you charge high price for it. Later on, you ↓ price.

Eg. When it comes, apple ↑ price of ₹ 6s
When movie releases on Friday, its ticket price ↑ later on, ticket price ↓.

→ There are 14 countries that ^{control} decide the price of oil. Oil dominates the world.

Slide 24 Many are pharmaceutical. → newly arises / emerged
↓
sunrise sector (relatively new)

→ Sun Pharma Owner: very simple, commerce graduate, has old WagonR.

Govt. Institutions

(PSE, PSB, PSU)

Public sector
ever prices

→ Private companies don't work everywhere. Govt. has to interfere there.

→ Electricity exchange also occurs nowadays.
Power can't be stored. If in advance, you've contract, you can get power at assured price.

⇒ with a trader, I can have a contract at assured price

if price ↑ or ↓ → ↑ give assured demand, you give assured supply at assured price
↓ ↓
Supplier consumer
no profit no profit

Teacher's Signature

- You realise the real price only after execution of contract.
- This is known as derivative (deriv Market)

① Departmental Undertaking :-

- dept. is attached to ministry.
- diff. setup, same work

② Public Corporation :-

- established under ^{an} Act (statue), created by Parliament
- eg. RBI, Air India

③ Govt. Company / Public Ltd. Company :-

- 51% of paid up share capital is held by central govt.
or by one or more state govt.

Eg. Maruti Suzuki (1st D-segment car), BHEL, SAIL, GAIL, etc.

Holding Company

Parent Company

Coca Cola

Indian Railways

Subsidiary Company

→ Sister concern of that

Coca Cola India

Konkan Railways

④ Board Org's :-

- carried on by a govt. nominated independent Boards.
- mostly corrupted.
- Used to scams

Teacher's Signature

slide 32

(their own investors \rightarrow private Ltd)

- ① corporation : Public Ltd.
sell stocks to other investors.
Not partnership (because stock rights issue)

- ② Sole proprietor

- ③ Partnership
- ④ "

slide 34

- ① ✓ (Grocery store, not Mart)
- ② ✓
- ③ ✓
- ④ ✓
- ⑤ ✓
- ⑥ ✓

IV. Cost & Investment Analysis

DATE: _____
PAGE NO.: _____

→ CTC : Cost to Company

↓
you act as a factor of production

$$\text{Profit} = \text{Revenue} - \text{Cost}$$

\Downarrow
After sales
received \Downarrow
Before sales

↑ the difference, ↑ will be the profit

Loss → NO → Profit

⇒ Loss = Profit : Break even point

→ Investment Analysis : Understand present price value v/s future.
What you could buy in ₹ 2000, you won't be able to buy it in future.

₹ 2000 of today = ₹ 2200 of future.

Aj ka future value \Rightarrow 2200 \rightarrow 10% discount

Future ka +nt value \Rightarrow 2000

* With time, value of money ↓

So, we discount \Rightarrow Rupee value is eroded by 10%.

→ Finance Company : Iska kitna invest kare ki future me apna status of living maintain kar sake.

⇒ You can easily manage cost than revenue

like like market me jana padega
jaha already hahut log bouthne
hoga.

Cost - Output Relationship

→ Factors affecting Cost

1. size of plant :

small katti \Rightarrow ~~big~~ logo ke liye & : OK
↑
- - - : multiple effort

2. O/p level :

with given plant size, later on, ~~exp~~ will definitely ↑
(because certain things are unmanageable later on)

3. Price of I/p : {factors of prod'g}

→ Most imp. factor : o/p

Types of Cost :

① Direct & Indirect



I can trace it,
easily identified

difficult to
be traced

e.g. man of match

e.g. team me kiene
rijada kaam kys

② money & Real



can be measured
in terms of money

When you employ a labor, he has to go through some
disutility, discomfort. If you can't compensate for it \Rightarrow Real
Can't be measured in terms of money.

Eg soldiers at borders, workers in chemical factories.

accountant cost

DATE: / /
PAGE NO.:

③ Explicit & Implicit

new kya &
pay kya
can be stored
in accounts

Pharmacist hu, but m not getting salary, paying
rent

If this wasn't case, all these values will be
included \rightarrow Implicit cost

self possess, self supply

Problem: can't find exact salary, exact rent

find most likely price

\rightarrow Revenue - ~~cost~~ (cost including explicit & implicit goods)

slide 13. Implicit

④ Actual

justice bill
exist keste

accounting cost

Opportunity

not actually incurred, but we're
thinking about it.

cost by choosing decision A & sacrificing
decision B.

transfer earning : ~~top~~
minm price : ~~25000~~

while leaving company, it may give you hype so that
you don't ~~hope~~ transfer yourself. \rightarrow Transfer earning.

2-03-18

⑤ Private & Social

Managed by
producer :

The cost falls
on them only

has both explicit &
implicit costs,
2+1 be producer's
own responsibility
to bear

Costs which fall on society, borne by
society (or other individual)

May be profit / loss.

social benefit

social cost

if " " > " " \Rightarrow It's good

if " " < " " \Rightarrow Teacher's Signature

- getting vaccinated : also social cost.
- not filing : private cost but smoke produced : social cost
- All entrepreneurs think about private cost only.
(business activities)

Slide 18 Private : expenses to run the plant
Social : pollⁿ cost

Slide 19 d) Social cost has no relⁿ with salary.

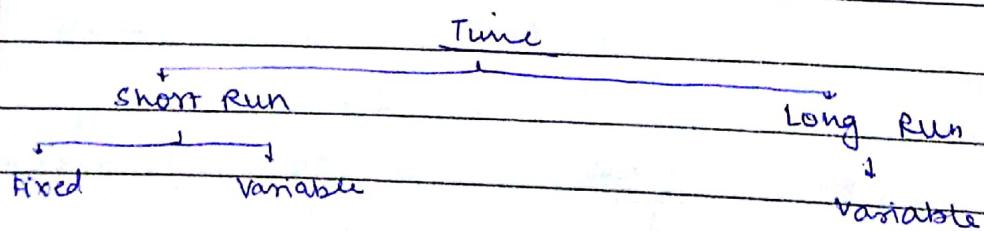
Concept of Revenue :

Revenue = After sales receipt

$$\begin{array}{ccc}
 \downarrow & \downarrow & \downarrow \\
 \text{Total Revenue} & \text{Avg. Revenue} = P & \text{Marginal Revenue} \\
 P \times Q + H & \frac{TR}{Q+H} & MR = TR_n - TR_{n-1} \\
 (\text{all qty. sold}) & &
 \end{array}$$

Avg. Revenue Curve
 Demand curve

Cost-Output relationship in short run & long run



Short run can be classified on basis of ;

1-) Total

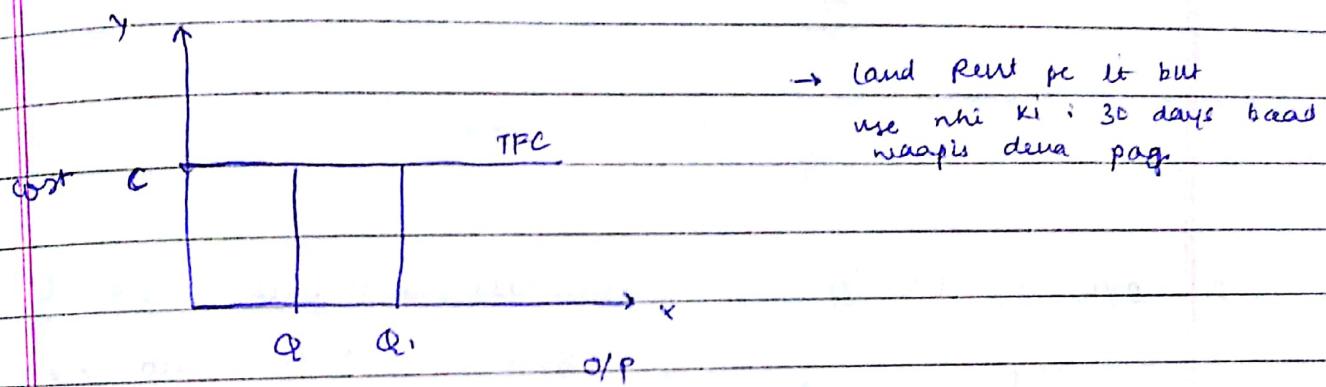
2-) Per Unit

$$1. \text{ Total Cost} = \text{Total Fixed Cost} + \text{Total Variable Cost}$$

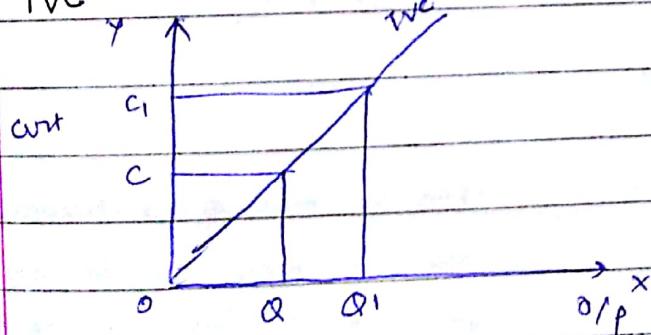
$$2. \frac{\text{Total Cost}}{\text{Output}} = \frac{\text{Avg. Fixed Cost}}{\text{Output}} + \frac{\text{Avg. Variable Cost}}{\text{Output}} + \frac{\text{Avg. Total Cost}}{\text{Output}} + \frac{\text{Marginal Cost}}{\text{Output}}$$

Total :

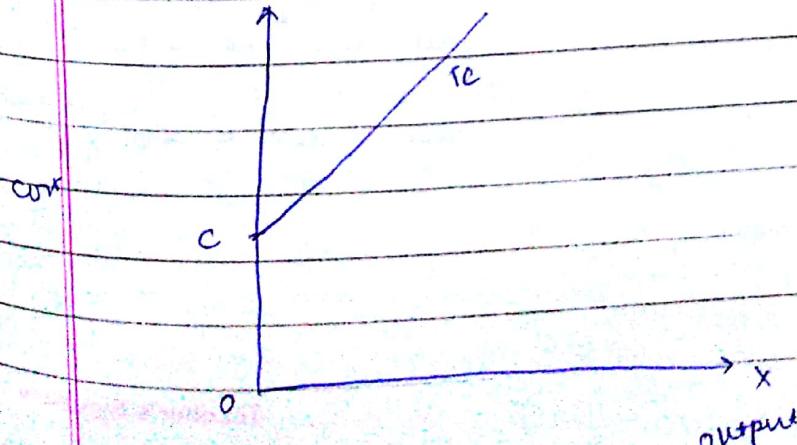
1. TFC : doesn't change with o/p



2. TVC : changes with output



$$3. \text{TC} = \text{TFC} + \text{TVC}$$



certain point fix, then varies

DTH : @ subscribe channels

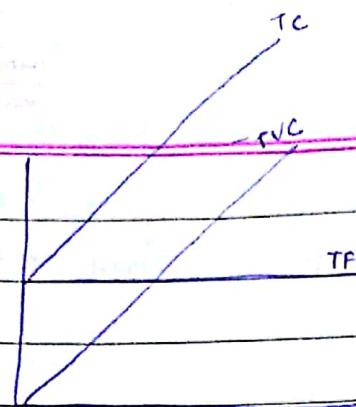
later on : ↑ (if want more channel)

even if we don't watch, cost will be same

Teacher's Signature

Output = Production

DATE: / /
PAGE NO.:

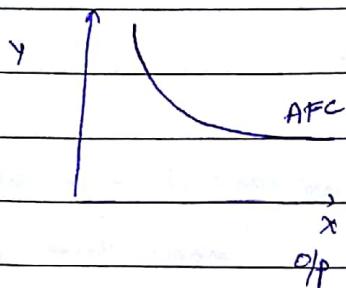


Producing more \Rightarrow Cost ↑

* Considering only cost & output here

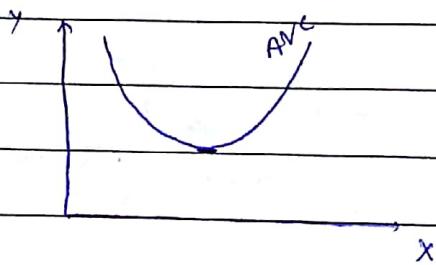
Per Unit :

1. $AFC = TFC/Q$ of Beyond certain point, you can't decrease the ~~cost~~ fixed cost
Property has been derived from TC.



2. $AVC = TVC/Q$

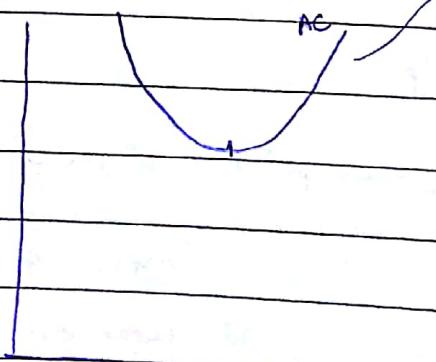
Initially, it'll fall, reach min. point,
later on, it'll rise with op



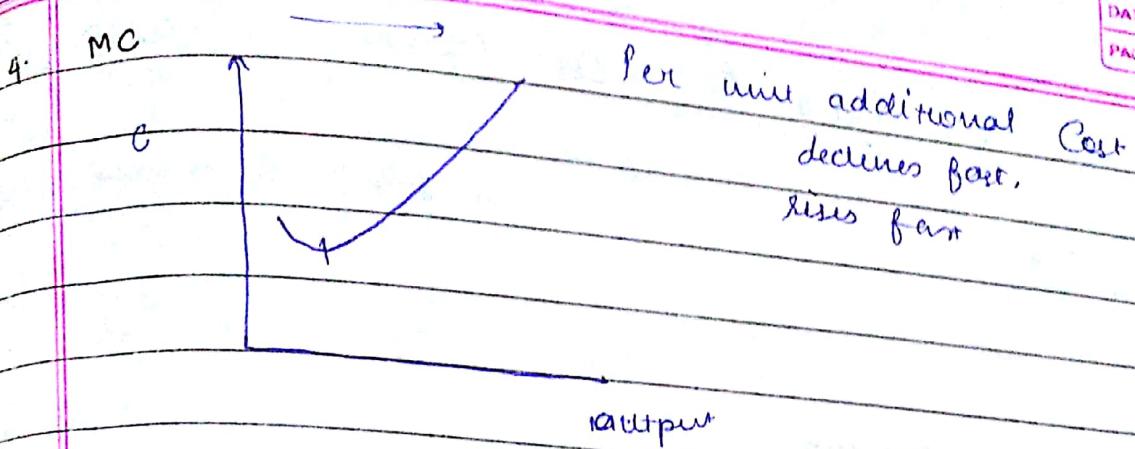
more can be produced with rise in Q

3. $ATC = AVC + AFC$

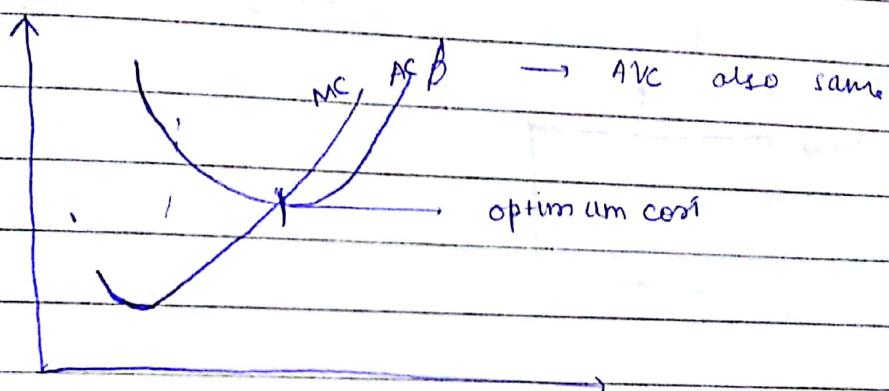
Fall in AFC is neutralised by rise in AVC. So, AC keeps on rising. (AVC is stronger in that portion)



very U shape
fall : due to both
min : " "
rise : due to AVC



Relationship b/w AC and MC



1. If avg. cost falls \rightarrow MC \uparrow (but MC lies below AC)

2. $AC = MC$

3. If $AC \uparrow$, $MC \uparrow$ (Rise in MC $>$ rise in AC)

\rightarrow If $AC = 0$, MC is indeterminant.

* Cost can't be 0, there will always be some cost

Slide 32: interrelation b/w short run : 1st draw separately, then composite diag.

Slide 33: 15% \uparrow in all i/p. \Rightarrow 15% \uparrow in o/p

avg. cost \Rightarrow remain const.

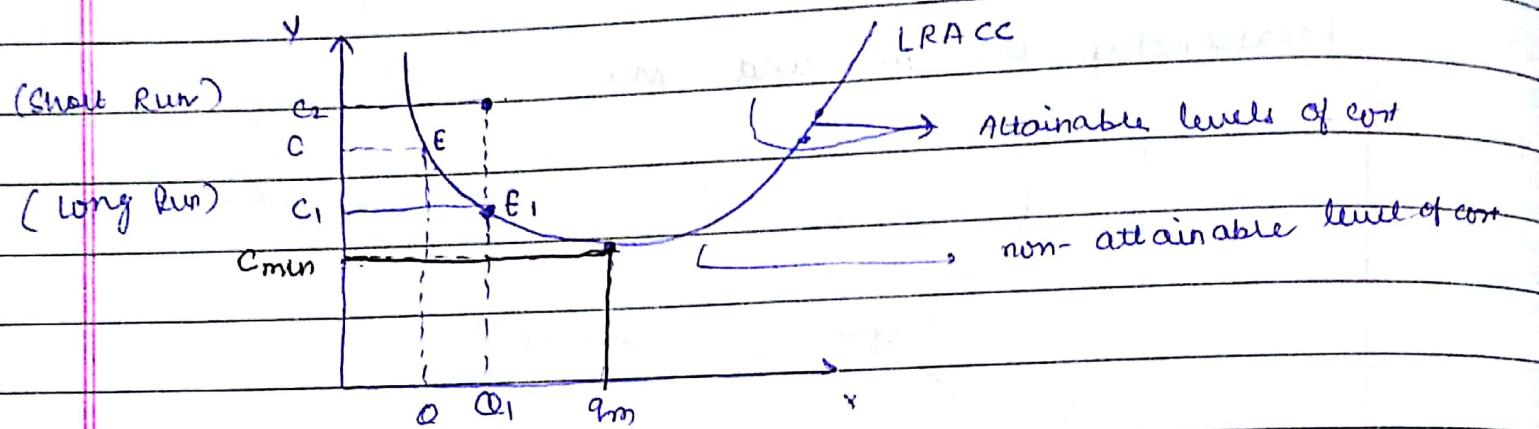
MC : won't be affected

Long Run Cost Curve

Long Run Avg. CC

Long Run Marginal CC

→ short run vs long run :



E : $C \Delta Q$ Ideal

later on, have to produce Q_1

Ideally, plant ready won't choose E_1 , p.e. : long run curv

But plant ready n't h \Rightarrow cost will be C_2 (instead of 1)

With smaller plant, $Q \uparrow \Rightarrow$ cost will \uparrow

But in long run : can ^{create a new} ~~battle~~ larger plant so
cost will be C_1 .

→ for large plant o/p \rightarrow use large plant

smaller \rightarrow in smaller "

If take any other case : cost'll \uparrow

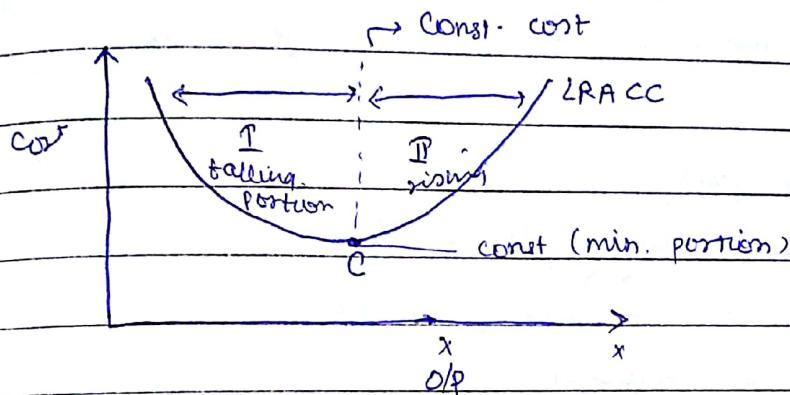
1) LRACC : 'U' shaped

Envelope Curve (comprises of
diff. shortened
Cost curves)

LRTC (Long Run Total Cost)

Q

↳ also called ~~soccer~~ saucer shaped curve

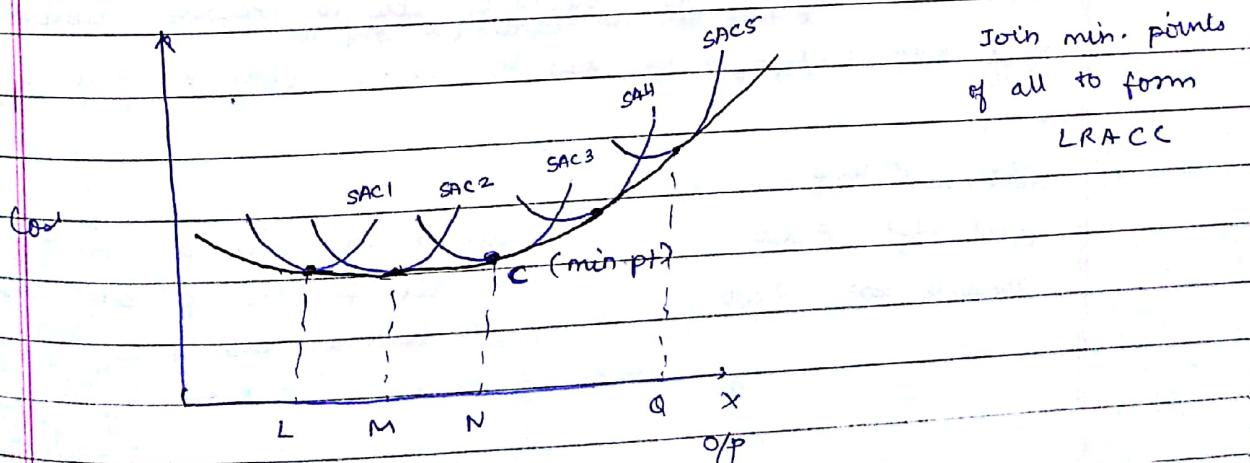


2: Any plant located in this region, in long run, O/P ↑ as cost ↓

↳ derived from economic of scale.

III: due to diseconomies of scale

How it should be actually drawn:



Every plant has its own SAC

→ Why U shaped:
due to economies / diseconomies
of scale

Teacher's Signature

With SAC₂, choose L \Rightarrow again cost will \uparrow

SAC₂
DATE: / /
PAGE NO.:

with SAC₁ (has capacity of L o/p), if I try to produce M o/p \Rightarrow cost will \uparrow

at N: SAC & LRACC both are min. \Rightarrow This is ideal position

\rightarrow SAC₅: gives higher o/p but with higher cost

\rightarrow SAC₃ \rightarrow C point

\hookrightarrow why people can't remain at C?
(stick to)

1. P $\uparrow \Rightarrow$ add more margin
2. Some have perspective to create huge empire: \rightarrow Only rising portion even though they're producing at 1 cost. (to get \uparrow o/p)
3. Govt. does regulates: to restrict monopoly.
4. Some new arrival has come, etc.
5. Profit comes through Revenue.

Min cost is 1 thing & getting profit out of that is another thing.

Slide 51

Short Run: At least you should be able to recover variable cost, so that you can sustain for long run.

Long Run: Should be able to recover both variable + fixed.

Loss: $\text{₹} 1000$

fixed cost: $\text{₹} 800$, Better to stop because you aren't even able to recover cost! Profit taken over till break even.

variable cost: $\text{₹} 200$

Selling Cost : ~~Net. of advertising cost~~

DATE:	/ /
PACK NO.:	

COST and Investment Analysis

→ New Tech companies

: Pharma Company, etc.

initially : R & D : High



product / service ↗

→ Marginal cost remains const.

Exg. n n n (TC : remains const.)

→ Graphs start with constant line

↳ These types of companies can reach success very soon, experience geometric growth/ instead of arithmetic growth/ profit profit

↳ They fade away also very fast.

↳ have to sustain adapt new tech.

Slide 7. Moda sa + low cost ⇒ they'll reach success

Moda sa price ↓ a small se business creen
skew h

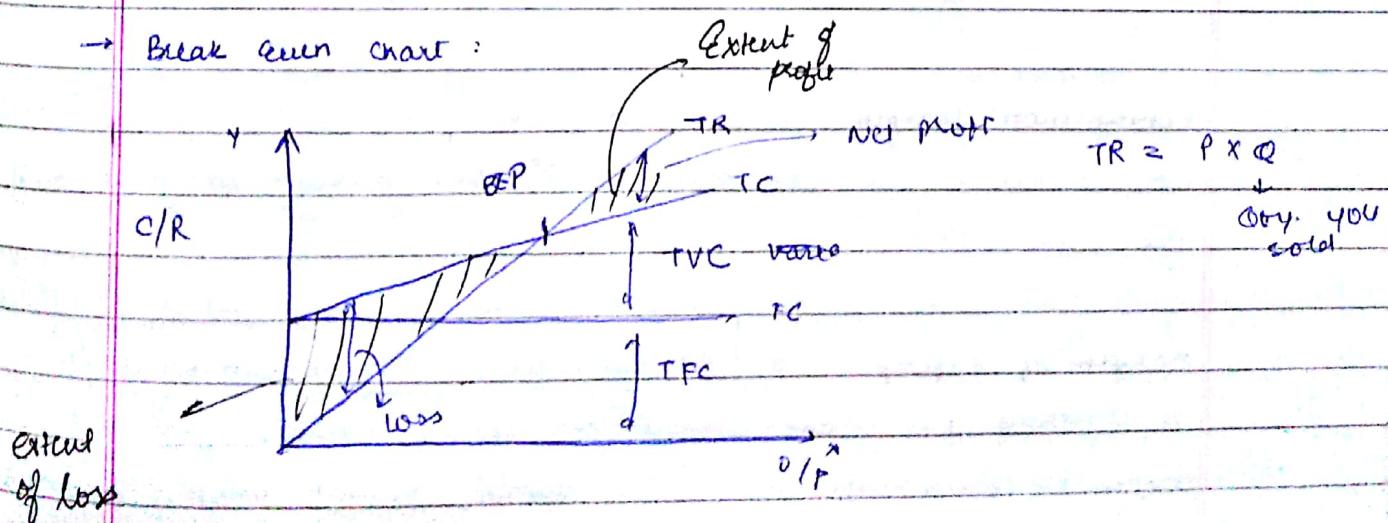
big jump : due to geometric growth.

Break even analysis

Break even point :- $TR = TC$ [Revenue = Cost]

$TC = TFC + TVC$

→ Break even chart :



→ Break even output = $\frac{\text{Fixed Cost}}{\text{Contrib}^n \text{ per unit}}$

(whatever you've sold out of that fund control)
Teacher's Signature

- Single brand P&L:
↳ Reebok, Adidas (Reebok ke shop me sirf Reebok ka dress hi milega)
- Actual profit starts only after recovering FC (much better)

Slide 12 $FC = 40000$

$$P = 10$$

$$VC = 6$$

$P - VC = \text{Contribution per unit}$
(regarding recovering)
(your fixed cost)

$$\text{Break even o/p} = \frac{40000}{10-6} = 6666 \text{ units}$$

20/3/18

Pricing strategies

- Penetration pricing : Whichever have entered newly to market, to make more sales, they apply strategy 'high' not & 'low' price
- Market Skimming : Only few sales will be able to push you to break even point
- Elasticity : If more \Rightarrow more sales

Slide 14

$$TVC = 40000$$

$$TC = TVC + TFC = 50000$$

$$TR = 50000$$

Contribution Margin: $= TR - TVC$

When I sell 1 unit, how much contb' it's making in recovering the cost (FC)

margin of safety: $= \frac{\text{Actual sales} - \text{Break even point}}{\text{Actual sales}}$

If something goes wrong, even though sales go down, you'll remain at break even point! So, always, business must produce more than break even output.

Capital Budgeting

DATE: / /
PAGE NO.:

- financial flow over long run, ~~which~~
- Investment : creation of new assets

1. Investment kyu karna h
2. Paise kaha se aayega

3. Kts project me invest kare to get better returns in shorter span of time.
- There are 3 methods to choose this :

Determining the size of Capital :

- ① Open-ended approach : First setup a limit ~~to minimum~~ can give ~~max~~ ~~return~~ good return. Then think ki paise kaha se aayenge.
 - ② Fixed type of Budget : pehle paise ke baare me socha, phir proj. ke baare me. Saare proj. execute nahi hoga.
 - ③ Case by case : Yeh proj, iska paise kaha se aayega.
- (Risk) (Cautions)
- Small firm more subjective type
(Extra Caution)

Time Value of Money

With time, value of money depreciates. You've to discount it.

Common denominator : interest rate / inflation rate

(Purchasing power)

- 22/3/18 → Non-Discounting Methods :
1. Payback method
 2. Accounting Rate of Return
- Discounting Methods :
1. Internal Rate of Return
 2. Net Present Value (Time value of Money)
 3. BC ratio

→ Discounting : needed because money value don't remain same after years.

$$P \text{ tnt value} = \frac{FV_0}{(1+r)^n} \quad \begin{array}{l} \text{(rate of discount)} \\ \text{taken in conservative way} \end{array}$$

Slide 19 Result remains same in both cases.

- Usually rate of discount & rate of inflation go closely hand by hand.

For personal lines : NPV & IRR

DATE:	/ /
PAGE NO.:	

financial evaluation to minimise uncertainty of future

→ For company : the rate at which it is borrowing $\approx r$
Not eliminating uncertainty, just reducing it.

→ If you're setting up a business : have to discount it, recover

① Payback Period : what is invested & when'll you get it back?
Not applying discounting, Otherwise, period \uparrow

After this time, profit will be gained.

slide 33 → mutually exclusive : one select the one which will recover payback fast

C₀ : Investment Cost

A \Rightarrow after 3 yrs B \Rightarrow after 4 yrs \rightarrow ①

② Accounting Rate of Return : kina invest kiya, kitha recover kiya after paying tax.

Discounting :

① NPV \rightarrow same as time value of money

NPV $>$ Cost \Rightarrow Project accepted, Otherwise Project rejected.

→ If money supply $\uparrow \Rightarrow$ Inflation $\uparrow \Rightarrow$ value of money will come down more

slide 34 : cost of Capital : borrowing

* Demand Forecast Technique : find potential of a product
(ask people, give free sample)

② Internal Rate of Return : won't fix arbitrary discount rate. Try to find when will get it recovered. \Rightarrow NPV = 0

IRR $>$ Opportunity ROI \Rightarrow Project is accepted

③ BC Ratio : generally applicable for govt. services projects. (mainly for public)

+
economic evaluation

Govt. projects give you direct as well as indirect benefits

Eg. Canal : Irrigation canal to shape se qat in & get our labour is not easy

Teacher's Signature

Retraction is possible in rivalry

React in one way
(someone ↑ price → you also ↑ price)

Ratio > 1 ⇒ Project accepted

DATE: / /
PAGE NO.:

3/4/18

T. Market Structure

- look where goods & services can be sold at.
- can't be supplied ⇒ Market failure
- Market : place where buyers & sellers come in contact of each other
(need not be physical communication) competition occurs

Forms of Market :

① On basis of time : How supply change acc. to demand

very short period : can't be available today (may get tomorrow)

② - area : metals : International

③ - degree of compⁿ : If more seller ⇒ more compⁿ (can be rivalry)

Imperfect : combⁿ of both perfect & monopoly
decided by no substitute

No. of buyers & seller

Nature of commodity

Freedom to enter & exit from the market

Microsoft : 1 seller, many buyer

selling same product or

→ more entry, more compⁿ

BCCI : 1 buyer, many sellers

different product

→ Coal India : had monopoly in coal extraction.
Now, pvt. companies are also allowed there.
→ Delhi : many supply electricity.

(Kissan sauce,
Maggi sauce)

(homogenous /
heterogeneous product)

→ Imperfection : either buyer or seller is not having complete info. as other. → info. can be controlled by any party
more imperfection

→ B/w 2 extreme : Monopolistic Competition (Both monopoly as well as compⁿ)
every seller tries to sell saying it is unique
Then only they can be monopoly. But
they have substitute (compⁿ) Sardar, Teacher's Signature

- Oligopoly : Rivalry (Price war goes on) → telecom companies
{ Leader ↑ karega tabhi ↑ karenge)
jiska share nt (Airtel)
- ↳ not all can survive in it.
- ↳ Is this market cons. is in consolidation state : due to war, not many can be accommodated.
- Duopoly : extreme case of Oligopoly ⇒ Only 2 firms
- Monopoly : scale of investment ↑
Tat, Electricity : Price ↓↓ Due to same lines : Price ↑↑

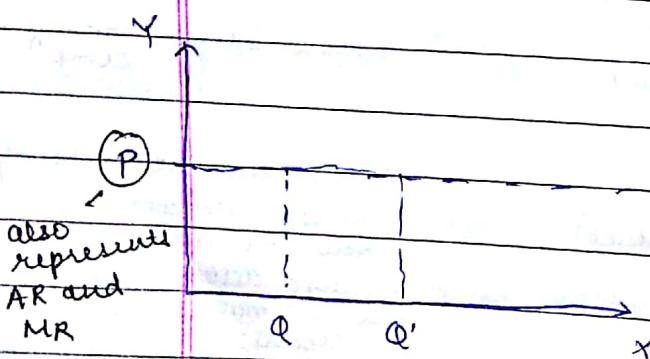
Perfect Competition

- ↳ No one can influence prevailing price

Firm

→ Independent unit

Prisetaker



(Price'll be same) (can sell any amount)
firm increases

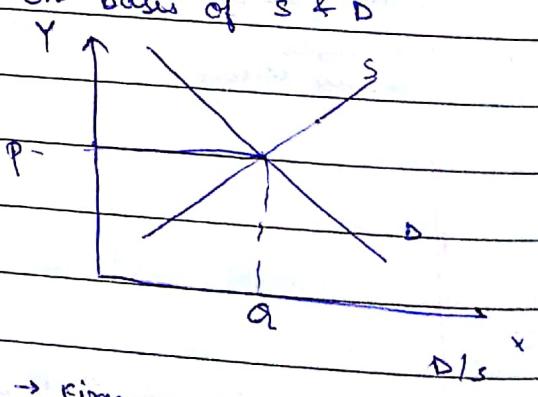
If P↑ : customer will shift to next one.

(can't influence price)

Industry

→ Group of firms producing same kind of products

→ Fixed price of firms
on basis of S & D



→ Firms together decide the price. No one can charge below / above it : Price Maku

$$\rightarrow P = AR \quad (\text{Avg. Revenue}) = MR$$

\downarrow
 $(P \times Q) / \text{no. of products} \xrightarrow{Q}$

DATE: / /
PAGE NO.:

→ In this market
 (Price is fixed $\Rightarrow AR = MR = P$)

eg.

P (fixed)	Q	TR	AR	MR
5	1	5	5	5
5	2	10	5	5
5	3	15	5	5
5	4	20	5	5
5	5	25	5	5

- why price is fixed? : Industry has decided it
- now industry can decide : Produces homogenous products

- ↳ Seller can't charge ↑ / ↓ P & buyer can't ask for discount.
 (because they buy only small amt. of total prod")

Features :

- ↳ Homogeneous product (unless you perceive them to be different)
- ↳ Large no. of buyers & sellers
- ↳ Freedom of entry & exit of firm
- ↳ Perfect mobility so that P remains same everywhere.
 {not perfectly mobile : can't shift land}
 {send labor from low to high market but not so easy}
- ↳ Perfect knowledge of market = both parties have equal info without any cost (Broker : info. cost) → because product is one & the same
 (Market always work in imperfect fashion)
- ↳ Absence of transport cost : so that P \approx const. (Not Practical)
- ↳ Absence of govt. interference.

Teacher's Signature

→ Ex. of Closer to Perfect competition

↓
stocks & shares

↓

Transport cost : very minimal

Scam bha → credibility down ho jati h.

Speculators → jaldi kharadte h, jaldi bechte h, bring more fluctuation to mkt

Timers → jaldi nhi bechte, don't bring " " to mkt

5/4/18

Monopoly : can't have pure / perfect monopoly in reality

Pure monopoly : not having any substitute.

Railways : have limited monopoly.

↳ NO close substitutions are available
(Virtual Monopoly)

↳ To remain monopolist : you'll try hard to remain single seller

→ In mobile : no substitute of android.

→ NO diff. b/w firm and industry → firm is price maker.

↳ can ↑ price ↳ Underprod? because they can still
↳ can ↓ supply charge ↑ price as monopolist

→ Product sold : inelastic

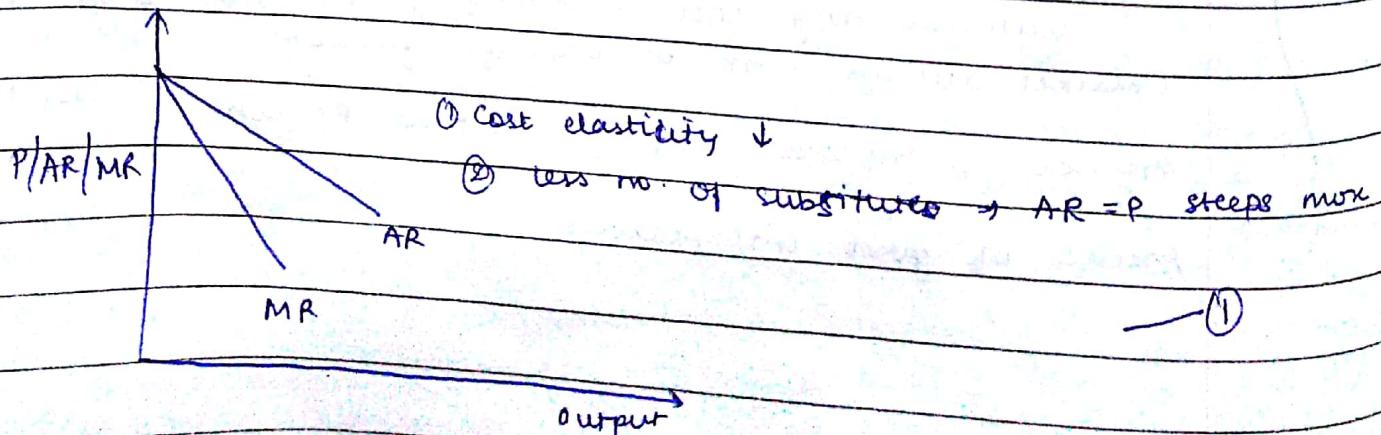
→ Price discrimination can be practiced : from 2 diff. customers.

↳ I can take 2 diff. prices at 2 diff. areas. (because geographically)

→ Where demand is Inelastic → can charge ↑ price

Elastic → can charge ↑ price

→ AR & MR



Imperfect Competition :

DATE : / /
PAGE NO. :

1) Monopolistic competition: Brand is owned by specific firm \Rightarrow Monopoly
But substitutes also available \rightarrow Basmati Rice, (Patanjali Rice)

* Monopolistic market & monopolistic compⁿ market are diff.
Restaurant: "Our own speciality" \Rightarrow Monopolistic compⁿ
 \rightarrow CBSE: virtual monopoly

Features?

↳ Heterogeneous products / Product differentiation:

- ↳ Colour / Claim / Brand Ambassador, etc.
- ↳ After sales & service

\rightarrow No price compⁿ here: only differⁿ on facilities product provides

↳ Free entry / exit: because investment is not too large.

↳ Selling cost: Advertisement

Manipulation	Educative
Surf, Excel, etc.	Vaccn, etc. soft way we dictate n.

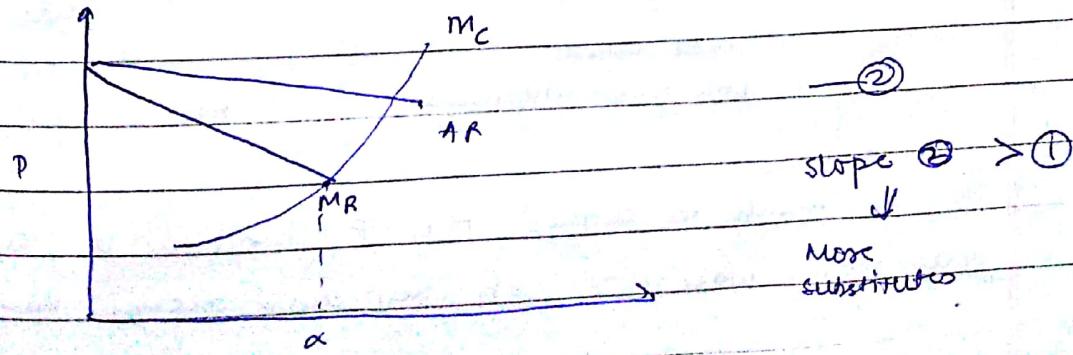
↳ Multiplicity of Price: Prices are almost competitive
(unless some premium product is sold)

\rightarrow Imperfect knowledge: experience based me logo

\rightarrow Concept of Industry & Product Groups:

Here, industry can't be formed because firms don't produce homogeneous products. \rightarrow Call them 'groups'.

\rightarrow AR & MR



Cost Elasticity
of Demand is more
Teacher's Signature

Oligopoly : few sellers (dominant)

eg. Maruti Suzuki : Passenger car Airtel : Telecom Sector
→ could be homogenous / differentiated product
steel, iron, cement camera, laptop

consciousness of rival actions : Maine + kya to mai \downarrow
Karu. But mne \uparrow , wo bhi \uparrow : not necessary

Price rigidity : \uparrow kya : war shuru ho jaayega
 \uparrow kya : mujhe loss hoga

↳ can't keep on fighting for so long

↳ consolidation in this market is very often. Ultimately, only few players will remain in this market.

↳ sell differentiated products : Non - Collision / Imperfect Oligopoly
selling cost : Ad karne padega

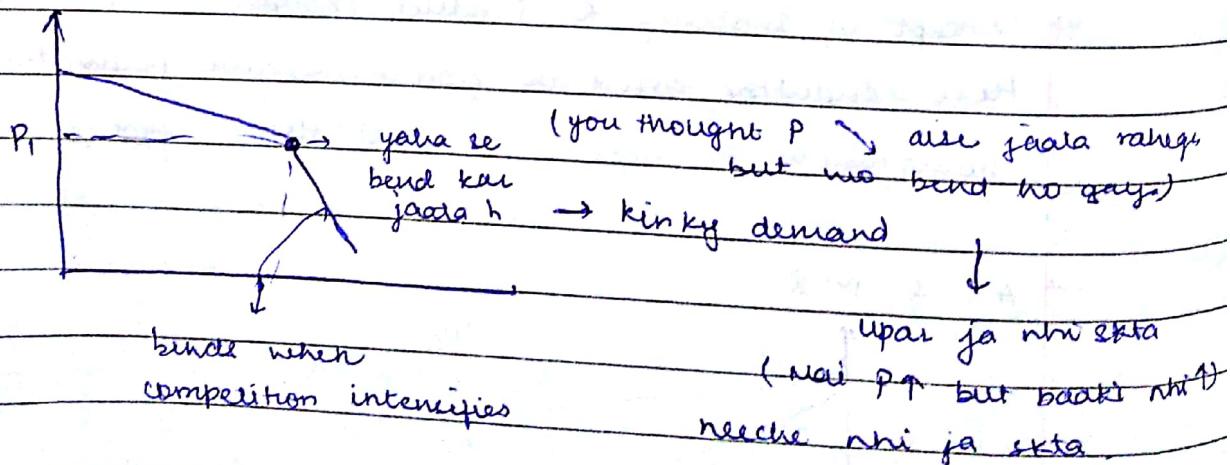
↳ " homogenous " : can form an association
→ Pure Oligopoly.

Cartel : grouping based on homogeneity : allowed in India
not officially

↳ Interdependence : Because rivals are there, my decision will depend on other's.

↳ AR curve : also demand curve

Price rigids after some time : Kinky demand curve



→ No one wants to change this P because it has stabilised after many wars \rightarrow sab chup chap accept kar lete h.

Teacher's Signature

Scanned by CamScanner

DUOPOLY : Extreme case of Oligopoly

- Only 2 firms
- Knowledge is imperfect.

QUESTION

1 → collusion : ✗ (association ✗)

4 → ✗ (Non-Price Compⁿ)

3 ✓

Slide 32 1. McD → Monopolistic Compⁿ

2. Food category → can't be Oligopolistic

3. Steel ✓

Slide 32
a. Oligopoly
b. 0 "
c. ✓
d. Only few

36. d

→ Beauty Parlour & Saloon : Monopolistic Compⁿ.