

HUL 762: Industrial Economics

Time: 2 Hours

Max. Marks: 40

Answer any **five** questions of the following. Each question carries 8 marks.

1. What is meant by a competitive market? When is a perfectly competitive industry in equilibrium? Is it profitable for a firm to remain in the industry when the industry is in equilibrium? When does a firm find it unviable to remain in the industry?
2. a) Explain how the monopolist sets prices in different segments of the market if he pursues price discrimination.
b) Suppose a monopolist produces the same product from two different plants and sells at a single price. Find out his equilibrium condition for profit maximization.
3. The Indian industries have witnessed radical changes in policy environment in recent years. Justify the above statement.
4. What are the assumptions you make while calculating total factor productivity by growth accounting method? Why do economists come out with altogether different results on TFP from the same data?
5. What are the advantages of 'market-based instruments' over 'command and control measures'? Briefly explain various types of market-based instruments available for control of environmental pollution.
6. a) What are the criteria you will adopt while making a choice among market-based instruments?
b) What is meant by ISO 14000 standards? Why do firms opt for ISO certification?