

Tutorial Sheet

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Module 3: Capital Market, Investment Decisions and Monopoly Basics

Course: PoE [ECON F211]

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Question 1: Name the factor that household supply to the market indirectly as one of the factors of production?

Question 2: If capital goods and intermediate goods are used as inputs in the production, and both are used to produce further goods then can we say that both are same?

Question 3: Give an example of social capital which is contributing in economic growth?

Question 4: As per the class discussion, monopoly is one extreme market situation and perfect competition is another. Welfare is maximized in perfect competition not in monopoly. What is reason behind less welfare in Monopoly? Discuss.

Question 5: What is the difference between capital and investment? Give an example.

Question 6: When investment is there total capital stock increase. Is this always true?

Question 7: Name any five companies who are ready to come out with IPOs this week in the market to raise investment from the market.

Question 8: Given that person A has INR 1200 to invest. The market Rate of Interest available on savings is 10 percent per annum. If Person A deposits the available amount in the Bank at the market rate of interest for five years and did not withdrew any amount in between then what would be the final amount after five years?

Question 9: A Limited company can also source its capital from its profits which is known as internal financing. What is the other name of such available funds?

Question 10: What factor restrict the monopolist to charge high price? Give an example.

Question 11: Nowadays, there exist many such services companies who are looked at other sellers, selling substitute or similar goods and services, to fix the price. Name two-three and discuss.

Question 12: Patent is used to promote the R&D in to the country. How it is used and how it promotes the monopoly practices?

*******All the Best*******