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Name.....

Reg. No.....



FOURTH SEMESTER P.G. (CCSS) DEGREE EXAMINATION, JUNE 2018

Economics

ECO 4E 06—INDUSTRIAL ECONOMICS

(2013 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.

Each question carries 1 mark.

1. Which of the following are characteristics of a perfectly competitive industry?
 - (a) Few buyers and sellers.
 - (b) Asymmetric information.
 - (c) No entry barriers.
 - (d) Downward sloping cost curves.
2. The Oligopoly unlike other market structures :
 - (a) Is defined in terms of the conduct of the firms.
 - (b) Is defined in terms of such aspects of structure as number of firms.
 - (c) Is in which firms do not have any strategic leeway.
 - (d) Cannot be analysed using game theory.
3. Along a society's production possibilities frontier :
 - (a) The level of technology is changing.
 - (b) More of one good can be produced without giving up some of the other good.
 - (c) Resources are not being fully utilized.
 - (d) Available resources are being used efficiently .
4. The Lerner Index mainly used to measure :
 - (a) Comprehensive Concentration of firms.
 - (b) Degree of market concentration.
 - (c) Relative market share of the firm.
 - (d) Monopoly power of the firm.

Turn over

5. In Marris' model of managerial enterprise, the leverage ratio is defined as _____.
(a) Liquid assets/total assets. (b) Value of debts/total assets.
(c) Total profits/total assets. (d) Total assets/liquid assets.
6. With respect to industrial location, rise in the value and tax of land is :
(a) Agglomerative factor. (b) Deglomerative factor.
(c) Regional factor. (d) Locational figure.
7. The 'kinked demand curve' assumes that :
(a) Whenever a seller increase price, its rivals also increase.
(b) Whenever a seller increase price, its rivals decrease.
(c) Whenever a seller decrease price, its rivals also increase.
(d) Whenever a seller decrease price, its rivals also decrease.
8. The technology that is embodied in the production function has :
(a) The efficiency property. (b) The degree of returns to scale.
(c) The degree of factor intensity. (d) All of the above.
9. The situation of differentiated oligopoly exists when there is :
(a) High Scale, High Concentration and High Differentiation.
(b) High Scale, High Concentration and Low Differentiation.
(c) Low Scale, Low Concentration and High Differentiation.
(d) Low Scale, Low Concentration and Low Differentiation.
10. Persuasive communication through which a prospective industrial buyer becomes aware of the company and its product is :
(a) Promotion package. (b) Advertising.
(c) Marketing. (d) All of the above.

(10 × 1 = 10 marks)

Part B

*Answer any **eight** questions.
Each question carries 5 marks.*

11. What are the determinants of economic efficiency ?
12. Describe Weber's theory of location ?
13. What are the advantages of concentration of industries ?
14. Discuss the theory of technological innovation.
15. Explain the role of industrial capital.
16. Distinguish between vertical integration and diversification.
17. What are the needs of financial analysis ?
18. What is a joint stock company ?
19. Explain Chenery's views on changing pattern of industrial structure.
20. Describe the factors stimulating the size and expansion of industries.
21. What are the sources of industrial finance in India ?
22. Discuss the consequences of industrial stagnation in Kerala.

(8 × 5 = 40 marks)

Part C

*Answer any **two** questions.
Each question carries 15 marks.*

23. Describe business motives.
24. Critically examine the need for government intervention in industry.
25. Explain the determinants of optimum firm.
26. Critically evaluate the industrial policy of India since 1991.

(2 × 15 = 30 marks)