



THE AMERICAN COLLEGE, MADURAI

(An Autonomous Institution Affiliated to Madurai Kamaraj University)

Re-accredited (2nd Cycle) by NAAC with Grade "A", CGPA – 3.46 on a 4-point scale

Backlog Arrear Examination, March 2021

PEC 4521

PRICE THEORY I

TIME:3 Hrs

Max: 75 marks

ANSWER ANY FIVE OF THE FOLLOWING QUESTIONS IN ABOUT THREE PAGES EACH:

(5*15=75)

1. Analyse how a consumer reaches equilibrium under indifference curve analysis.
2. Explain the law of demand. What are its determinants and list out the exceptions to the law of demand?
3. Discuss the economies of scale.
4. Elucidate with the help of the diagram the traditional and modern theory of cost both in the short and long run.
5. Examine how a firm reaches price output equilibrium under perfect competition both in the short and long run.
6. What is a cartel? Explain various types of price leadership.
7. Critically evaluate the neo classical theory market.
