



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 4522

PRICE THEORY II

TIME:3 Hrs

Max: 75 marks

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

(5*15=75)

1. Analyze how prices are determined under representative model of average cost pricing.
2. Explain the various goals pursued by the firm in the market.
3. Discuss Sylos Labini model of limit pricing.
4. Critically evaluate Franco Modigliani model of limit pricing
5. Examine Baumol's theory of Sales maximization.
6. Analyse factor pricing when there is perfect competition in both product and factor market.
7. Explain Pareto's optimality theory of social welfare.