International Islamic University Chittagong
Department of Economics & Banking

Semester End Examination, Spring-2023
Course Code: ECON-4701
Time: **2 hours 30 minutes**

Program: BSS (Hons) in Economics & Banking
Course Title: Industrial Economics ; Semester: 7th

Full Marks: 50

[Answer any five of the following questions. Figures in the right margin indicate full marks.]

QN	Description of Questions	Marks	COs & POs	Cognitive learning
1(a).	Define market concentration. Which types of factors may perpetuate the situation?	2	CO-2 PO-1	Remembering
(b).	'The Entropy coefficient measures the degree of market uncertainty faced by a firm in relation to a given customer'-Investigate the relevance of using entropy index in the measurement of market concentration.	3		Analyzing
(c)	Market power motive is one of the contemplations of diversification-Do you agree with the statement? Justify your answer based on the any two types of diversification.	5		Evaluating
2(a).	Mention some sources and sustaining factors of dominance which can help the firm in the long run.	4	CO-2 PO-1	Evaluating
(b).	How does the incumbent firm can create a barrier for a newcomer by limiting price? Elucidate graphically.	4		Analyzing
(c)	Distinguish between intrinsic and voluntary causes of barriers.	2		Understanding
	OR,			
(a).	When does the strategic effect get more attention than direct effect? Graphically narrate your answer.	4	CO-2 PO-1	Analyzing
(b).	How does the consumer can differentiate between the products? Explain your answer with proper example/s.	4		Understanding
(c)	Why product differentiation is crucial for a firm? Create an idea to differentiate your product.	2		Creating
3.(a)	Define antitrust policy. Mention the sections of Sherman Act.	3	CO-3 PO-2	Remembering
(b)	'Deregulation is the corollary of the evolvement of perfect competition'- Do you agree with the statement? Justify your answer.	4		Analyzing
(c)	Why are public firms more desirable than private firms? Explain.	3		Understanding

4(a).	There is a proportional relationship between the advertising elasticity and advertising expenditure whereas inverse relationship between the price elasticity and advertising expenditure. Analyze your answer with proper diagram(s)	6	CO-2 PO-1	Analyzing
(b)	How does the persuasive adverting can influence the consumer's preference?	4		Understanding
5(a).	Mention some infrastructural factors which can impress an entrepreneur to choose a location for building his new factory.	2		Remembering
(b).	How do the interregional factors can determine the location of an industry? Demonstrate your answer with the help of Weber's theorem.	5	CO-4 PO-4	Analyzing
(c)	Do you think price discrimination is illegal? What is its application?	3		Creating

OR,

5.	Write notes on (any two):	2*5		Understanding
i)	Price discrimination with identical cost		CO-2 PO-1	
ii)	Measurement of diversification			
iii)	Endogenous and exogenous barriers to entry			