(iv) If there is significant uncertainty about the presence of a rival, then the monopolist is willing to pay less for the innovation than the rival.

(v) Resale price maintenance helps to correct inter-retailer externalities.

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 5207 **K**

Unique Paper Code : 2922103503

Name of the Paper : Industrial Economics

Name of the Course : **B.A. (Hons.) Business Economics (NEP 2025)**

Semester : V

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions out of the given **seven** questions.
3. **All** questions carry equal marks.
4. Illustrate your answer with a suitable diagram, wherever required.

P.T.O.

1. How is the modified S-C-P school of thought more comprehensive and inclusive than its predecessor linear S-C-P approach. What is an interactive model of firms' behaviour in industrial economics? Describe. (9+9)

2. (i) Explain the factors that determine horizontal and vertical boundaries of a Firm.

   (ii) Why are firms different from each other? (9+9)

3. (i) The double marginalization problem is often invoked as an argument in favour of vertical integration. Do you agree with this statement? Justify your argument along with a suitable diagram.

   (ii) How investments externalities and indirect control are used by firms to control inter retailer externalities. (9+9)

4. (i) Incumbent firms have a greater incentive than entrants to perform R&D toward a gradual innovation. Discuss.

   (ii) Mergers bring implications not only for merging firms but also impact the non- merging firms of the industry. Discuss. (9+9)

5. (i) Discuss the role and importance of the industry regulations citing Indian examples.

   (ii) How does free entry of firms affect social welfare? (9+9)

6. Explain predatory and non-predatory strategies of barriers to entry. (18)

7. Write a short note on any **three** of the following :

   (i) Greater the value of search cost or switching cost greater is a seller's market power.

   (ii) The greater the degree of competition between the retailers lower is the optimum wholesale price.

   (iii) Difference between industrial economics and microeconomics.