

Unit III - Cost Theory and Market Structure - Practice

Q1: How do fixed and variable costs behave differently as production scales?

Q2: Explain the concept of marginal cost and its relevance to decision making.

Q3: What economic factors contribute to economies of scale?

Q4: How does a monopoly influence prices and output in comparison to perfect competition?

Q5: What strategic behaviors are common in oligopolistic markets?

Q6: Discuss the impact of market entry barriers on monopolistic competition.

Q7: How can a firm achieve cost efficiency in a competitive market?

Q8: What are the typical characteristics of firms operating under monopolistic competition?

Q9: Analyze the pricing strategies used in different market structures.

Q10: How does consumer preference influence market structure dynamics?

Q11: Discuss a real-world example of diseconomies of scale.

Q12: What role does cost analysis play in pricing strategy?

Q13: How can a business leverage economies of scale to enhance competitiveness?

Q14: Compare the long-run cost curves of different market structures.

Q15: How do technological innovations influence cost functions and market structures?