Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY
MPM – SEMESTER-V • EXAMINATION – SUMMER • 2015

Subject Code: 4350201 **Date: 19-06-2015**
Subject Name: Pharmaceutical Economics
Time: 02.30 pm - 05.30 pm **Total Marks: 70**

Instructions:
1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 (a) The meaning of the word Economics is most closely connected with the word. **01**
(i) Extravagant (ii) Scarce
(iii) Unlimited (iv) Restricted

The demand curve facing an industrial firm under is a/an **01**
(i) Horizontal straight line (ii) Indeterminate
(iii) Downward sloping (iv) Upward sloping

Opportunity costs are also known as **01**
(i) Spill over cost (ii) Money costs
(iii) Alternative costs (iv) External costs

Condition of perfect completion is fulfilled when **01**
(i) Sellers are in large number (ii) Buyers are in large number
(iii) Commodity produced is homogeneous d) All of the above

Which of the following are not the characteristics of monopoly? **01**
(i) Few buyers (ii) Single producer
(iii) Homogeneous product (iv) No entry of the new firms.

When the Central bank changes the bank rate **01**
(i) It affects the amounts of borrowings by the commercial banks (ii)It affects the amount of borrowings by the public from the banks
(iii) It affects the lending rate of the bank for commercial loans (iv)All of the above

Q.1 (b) Explain the terms **08**
(i)Factors of production (ii) Law of supply
(iii) Repo rate (iv) Opportunity cost

Q.2 (a) What is demand function? Explain the different determinants of demand. **07**
(b) Define total cost, average cost and marginal cost. How they are related? **07**

OR

(b) What are the special features of monopolistic competition? Compare them with monopoly. **07**

Q.3	**(a)**	Describe briefly the functions of Reserve Bank of India.	**07**
	(b)	Draw a circular flow diagram representing the interactions between households and firms in a simple economy. Explain the various parts of the diagram.	**07**
		OR	
Q.3	**(a)**	Clarify the concept of pharmaceutical economics. Explain the significance of this concept.	**07**
	(b)	Explain the Kinked demand curve under Oligopoly.	**07**
Q.4	**(a)**	Define time value of money. What are the basic terms used in time value of money calculations?	**07**
	(b)	State and explain the law of variable proportions.	**07**
		OR	
Q.4	**(a)**	Explain the meaning of inflation and discuss its main types.	**07**
	(b)	Distinguish between Micro and Macroeconomics.	**07**
Q.5	**(a)**	Under perfect competition, price of a commodity is determined by demand and supplies both. Clarify with diagram.	**07**
	(b)	(b)Write a note on (i) Statutory Liquidity Ratio (ii) Gross Domestic Product	**07**
		OR	
Q.5	**(a)**	What is Monopoly? Describe its characteristics.	**07**
	(b)	Distinguish between economies and diseconomies of scale. Examine the factors affecting these two.	**07**

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