Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY

MPM - SEMESTER– V • EXAMINATION – WINTER • 2014

Subject Code: 4350201 **Date: 13-01-2015**

Subject Name: Pharmaceutical Economics

Time:10:30am to 1:30pm **Total Marks: 70**

Instructions:

1. **Attempt any five questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 **(a)** Discuss the scope of pharmaceutical economics. **07**

(b) What is Production Possibility Curve? Explain the concept of pharmaceutical efficiency. **07**

Q.2 **(a)** Explain the Law of Demand. Discuss the various determinants of demand. **07**

(b) Explain the concept of market equilibrium. Describe the forces that move a market towards its equilibrium. **07**

OR

(b) What do you mean by production? Discuss the various factors of production. **07**

Q.3 **(a)** Explain the concept of returns to scale and discuss the law of variable proportions. **07**

(b) Discuss various internal and external economies and diseconomies of scale with suitable examples. **07**

OR

Q.3 **(a)** What is Break-Even Point? How Break-Even Point is calculated? Explain with the help of suitable examples. **07**

(b) Explain the concepts of Accounting Cost, Marginal Cost and Opportunity Cost. **07**

Q.4 **(a)** What do you understand by perfect competition? Discuss the features of perfect competition. **07**

(b) Rahul juice corner has the following cost schedules: **07**

Quantity	Variable Cost (in Rs.)	Total Cost (in Rs.)
0	0	30
1	10	40
2	25	55
3	45	75
4	70	100
5	100	130
6	135	165

Calculate AVC, ATC and MC for each quantity. Graph all three curves. What is the relationship between the average total cost curve and the marginal cost curve?

OR

Q.4 **(a)** What is Monopoly? Are monopolies good or evil for economic development? **07**

(b) What is Oligopoly? Discuss the important features of oligopoly. Give example of oligopoly that you have observed in economy. **07**

Q.5 **(a)** What is inflation? Discuss the important reasons responsible for current inflation in India. **07**

(b) What are the features and functions of commercial banks? **07**

OR

Q.5 **(a)** Explain the concepts of GDP and GNP. Why every country desire to have larger GDP? **07**

(b) Discuss how the repo rate and changing CRR are used to control inflation. **07**

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