

**B.A.(P) II<sup>nd</sup> Semester : Principles of Microeconomics - II**

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**PRACTISE QUESTIONS FROM OLIGOPOLY:**

Practice Questions are for your own reference. They will NOT be marked and need not be submitted.

Q1 : From the following pay off matrix of Profits that can be earned by the two firms, given the reaction of the other firm, answer the questions that follow :

	Player B's Strategy		
		Advertise	Do Not Advertise
Player A strategy	Advertise	100, 100	750, -250
	Do Not Advertise	-250, 750	500, 500

Q1. A ) What is Player A's Dominant Strategy

Q1. B ) What is Player B's Dominant Strategy

Q1. C ) What is the Nash Equilibrium of the above game plan ?

Q2. Explain briefly, the following :

- A) Cartel
- B) Price Leadership Model
- C) Cournot Model
- D) Kinked Demand Curve Model / Sweezy Model of Price Rigidity

Q3. Define Oligopoly. What are the different characteristics of Oligopoly Market Structure ?