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**PRESIDENCY
UNIVERSITY**

BENGALURU

School of Law

Mid - Term Examinations – November 2024

Semester: IX

Date: 06-11-2024

Course Code: LAW418

Time: 02:00pm – 03:30pm

Course Name: Law and Economics

Max Marks: 60

Program: BA.LLB, BBA.LLB, B.COM.LLB(Hons)

Weightage: 25%

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2 marks.

6Qx2M=12M

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|----|--|------------|---------------|-----|
| 1. | Explain positive and normative economic theory. | 2
Marks | Remembering | CO1 |
| 2. | Examine the concept and reasons of market failure. | 2
Marks | Understanding | CO2 |
| 3. | Explain the concept of Contestable market. | 2
Marks | Remembering | CO1 |
| 4. | Limitations of ex-ante reasoning. | 2
Marks | Understanding | CO2 |
| 5. | Explain the concept of natural monopoly. | 2
Marks | Remembering | CO1 |
| 6. | In a scenario the government wants to build a highway that cuts across the property of many owners. Give economic justification. | 2
Marks | Applying | CO3 |

Part B

Answer ALL Questions. Each question carries 10 marks.

4QX12M=48M

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|-----------|-----|---|---------|---------------|-----|
| 7. | 7a. | Explain the characters of imperfect competition | 7 Marks | Remembering | CO1 |
| | 7b. | Explain how monopolists can increase profit by price discrimination | 5 Marks | Understanding | CO2 |
| OR | | | | | |
| 8. | 8a. | Discuss in detail the history, foundations, and emergence of the subject of “Law and Economics” | 8 Marks | Remembering | CO1 |
| | 8b. | Explain the concept of invisible hand | 4 Marks | Understanding | CO2 |

9.	9a.	Critically evaluate the role of the Theory of Second Best in public economics.	8 Marks	Applying	C03
	9b.	Explain inductive and deductive method of economic reasoning	4 Marks	Understanding	C02
OR					
10.	10a.	Define allocative efficiency. How does competition law seek to achieve allocative efficiency in markets?	8 Marks	Understanding	C02
	10b.	“Efficiency may lead to less equity “Analyze	4 Marks	Applying	C03
11.	11a.	Define the Rule of Law and Pareto Efficiency. How do these concepts intersect in the context of economic policymaking?	8 Marks	Applying	C03
	11b.	Explain the determinants of Market Power	4 Marks	Remembering	C01
OR					
12.	12a.	Analyze the role of software bundling in Microsoft's alleged monopolistic practices	7Marks	Applying	C03
	12b.	Discuss the impact of economic analysis on legal decision-making	5 Marks	Remembering	C01
13.	13a.	How can Kaldor-Hicks Efficiency be used to justify environmental policies? Provide an example.	8 Marks	Understanding	C02
	13b.	Explain rationing systems how it balances efficiency and equity	4 Marks	Remembering	C01
OR					
14.	14a.	Discuss the role of government regulation in controlling monopolies and regulatory approaches used to mitigate the negative effects of monopolies?	8 Marks	Understanding	C02
	14b.	Explain Learner’s Index	4 Marks	Remembering	C01