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| **logo_unec**  **AZƏRBAYCAN DÖVLƏT İQTİSAD UNİVERSİTETİ** |
| **BEYNƏLXALQ İQTİSADİYYAT MƏKTƏBİ** |
| **BEYNƏLXALQ İQTİSADİYYAT (İNGİLİS DİLLİ) KAFEDRASI**  **İMTAHAN SUALLARI** |

Müəllimin adı: Hajiyeva Arzu Ali

Fənnin adı: Economy of the firm

Qrupun nömrəsi: 1025, 1026

**Mövzu 1: Introduction to the firm. Main Theoretical views**

1. The nature of the firm. Explain why firms exit.
2. Explain Coasian theory of the firm.
3. Explain Williamsons theory of the firm
4. A complete and incomplete contracts. Bounded ratioanlity, adverse selection, moral hazard.

**Mövzu 2: Corporate Governance and the forms of Business ownership**

1. Forms of Business Ownership: Sole propriertorship.
2. Forms of Business Ownership: Partnership.
3. Forms of Business Ownership: Corporation.(Explain S&C Corporations and LLC)
4. What is corporate governance:objectives and attributes.
5. Explain possible conflicts between main figures of corporations.

**Mövzu 3: Industry and Company Analysis. Assets of the firm**

1. A) Explain sum of the years’ digits method of depreciation of firms’ assets.

B) Calculate the depreciation of its life using double declining balance method.

1. A)Explain straight-line method of depreciation of firms’ assets.

B)Use sum of the years' digits method of depreciation to prepare a depreciation schedule of the following asset

3. A) Explain double declining balance method of depreciation of firms’ assets.

B) Calculate the depreciation of its life using straight line method.

1. Explain different industry and company analysis approaches
2. Explain Porter’s “Five Forces Framework” and Industry life-cycle model

**Mövzu 4: Models of Market Behavior: Perfect Competition**

1. Explain and show in the graph curve demand curve and individal firm’s supply curve under perfect competition.
2. Explain the performance of the firms under perfect competitive market according the following graphs.
3. Explain the following graph under perfect competitive market and calculate the profit of the firm.
4. Concepts of competition. When the firm is considered to be competitive?
5. Explain perfect competition in the long-run.
6. Market demand is given. Obtain the individual supply function f of a single firm as well as the market supply function. What is the market equilibrium for a given number of firms N? How many firms are there in the market in the long run equilibrium?
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8. Market demand is given. Obtain the individual supply function f of a single firm as well as the market supply function. What is the market equilibrium for a given number of firms N? How many firms are there in the market in the long run equilibrium?

**Mövzu 5: Models of Market Behavior: Oligopoly**

1. Explain Oligopolistic market, types and features of Oligopoly.
2. Explain what is cartel and why they are illegal? State possible penalties for cartels.
3. Explain Kinked demand curve.

**Mövzu 6: Models of Market Behavior: Oligopoly**

1. Explain dominant firm positioning in oligopoly.
2. Prisoner’s Dilemma and its application to business decisions.
3. Cournot and Stackelberg models of Oligopoly
4. Compare Cournot and Stackelberg models and draw the graphs.

**Mövzu 7: Game theory: Cournot model**

1. The inverse demand function is given. What is Cournot equilibrium. Find the quantities produced, price and profit of the firms
2. The inverse demand function is given. What is Cournot equilibrium. Find the quantities produced, price and profit of the firms

**Mövzu 8: Change in reaction functions depending on costs**

1. Market demand function is given. How does firm1’s output change with a?
2. Market demand function is given. How does firm1’s output change with a?
3. Market demand function is given. How does firm1’s output change with a?
4. Market demand function is given. How does firm1’s output change with a?

**Mövzu 9: Oligopoly: Stackelberg model**

1. The inverse demand function is given. What is the Stackelberg equilibrium if firm 2 moves first? Find the quantities produced, price and profit of the firms
2. The inverse demand function is given. What are Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
3. The demand function is given. What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
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7. The inverse demand function is given.What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.

**Mövzu 10: Mergers and Acquisitions. Due diligence process and legal issues**

1. Define Merger and Acquisitions. Explain their categories.
2. Explain reasons for merging and acquiring firms. Synergy value.
3. Strategic reasons for business combination.
4. Basic business reasons for business combination
5. The steps for merging and acquiring firms. Explain overall process.
6. The reasons for mergers to fail. Explain problems in achieving success.
7. Legal and regulatory considerations with mergers. Merger agreement. Representation, Indemnification and Confidentiality
8. Explain due diligence process during merger and acquisitions.

**Mövzu 11: Measuring concentration of market: Herfindahl Hirshchman index**

1. Company Sales(thousands of dollars)

Companies C, F and H are proposing to merger. What is new HHI index if the merger takes place? What is the decision of Federal Trade Commission?

1. Explain the HHI index and general rules by Federal Trade Commision.
2. Calculate the HHI of an industry with the following distribution of sales. What is the decision of Federal Trade Commission?
3. The sales in the industry are as follows: Explain the decision of Federal Trade Commission.
4. Company Sales(thousands of dollars)

Companies E, and H decide to merge. are proposing to merger. What is new HHI index if the merger takes place? What is the decision of Federal Trade Commission?

1. The sales in the industry are as follows: Find HHI index and C4. Explain the decision of Federal Trade Commission.

**Mövzu 12: Capital budgeting. Firms’ investing decisions.**

1. Capital budgeting tools. Net Present Value, Payback-Period, Profitability index and Accountability index.
2. The ABC Corporation is considering an investment. What is the payback period for this investment?
3. Explain profitability index and calculate the following problem:
4. The ABC Corporation is considering an investment. What is the payback period for this investment?

**Mövzu 13: Capital budgeting. Firms’ investing decisions.**

1. Calculate Net Present Value of the investment and state Firm’s decision?
2. Compare these 2 projects. Find NPV. And decide which of the projects to choose.
3. Determine the net present value for a project.
4. Explain net present value and calculate the following problem:
5. Determine the net present value for a project.
6. Compare these 2 projects. Find NPV. And decide which of them to choose.
7. Two projects are given. Compare these 2 projects and explain which is more worthwhile by calculating accounting rate of return.

**Mövzu 14: Restuctring of firm and liquidation**

1. Divestiture and spin-off process
2. Explain Corporate restructuring and types of corporate downsizing (divestitures, equity carve-outs, spin-offs, split-offs and split-ups)
3. Involuntary and voluntary divestitures, explain reasons.
4. Reorganization versus liquidation – explain bankruptcy and reorganization process

**Mövzu 15: Auctions**

1. Auctions, their types and bidding process
2. Auctions, known, unknown values
3. E-auctions, their benefits and limitations