**THE ECONOMY OF THE FIRM**

**KOLLOKVİUM 1**

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.
5. Forms of Business Ownership: Sole propriertorship.
6. Forms of Business Ownership: Partnership.
7. Forms of Business Ownership: Corporation.
8. Concepts of competition. When the firm is considered to be competitive?
9. Firm demand under perfect competition. Draw the graph.
10. Explain and show in the graph individal firm’s supply curve under perfect competition.
11. Explain perfect competition in the long-run.
12. Explain the performance of the firms under perfect competitive market according the following graphs. (the student will be given 2 graphs reflecting ATC, AVC, MC and demand curves)
13. Explain the following graph under perfect competitive market and calculate the profit of the firm. (The student will be given a graph reflecting the price in the market, total cost and quantity supplied to calculate the profit.)
14. Explain the following graph under perfect competitive market and calculate the profit of the firm. (The student will be given a graph reflecting the price in the market, total cost and quantity supplied to calculate the profit.)

15, 16,17,18: (The student will be given a market demand function under perfect competition with N identical firms and total cost of production. The student is required to calculate the number of firms operating in the market, price per product and profit per firm).

1. Explain double declining balance method of depreciation of firms’ assets.
2. Explain straight-line method of depreciation of firms’ assets.
3. Explain sum of the years’ digits method of depreciation of firms’ assets.
4. Explain units of production depreciation method

23, 24, 25 The students will be required to solve problem on depreciation using different methods including: straight line, double declining, sum of the year’s digits and units of production.

**Kollokvium 2**

1. Explain Oligopolistic market and types of Oligopoly.
2. Explain what is cartel and why they are illegal? State possible penalties for cartels.
3. Main features of Oligopolies.
4. Explain Kinked demand curve.
5. Explain dominant firm positioning in oligopoly.
6. Prisoner’s Dilemma and its application to business decisions.
7. Cournot and Stackelberg models of Oligopoly
8. Compare Cournot and Stackelberg models and draw the graphs.
9. Questions 9-14 will cover Cournot and Stackekber models problems
10. Define Merger and Acquisitions. Explain their categories.
11. Explain reasons for Mergers and Acquisitions.
12. The steps for M&A. Overall process.
13. The reasons for mergers to fail. Problems in achieving success.
14. Legal and regulatory considerations with mergers. Merger agreement. Representation and Indemnification
15. Explain due diligence process during merger and acquisitions.

Questions 16-25 will cover Cournot and Stackelberg models

**Final 25 Questions**

1. Financial performance analysis of the firms.
2. Auctions, their types and biding process
3. Auctions: Known and Unknown values
4. Explain Lerner and Rothschild index
5. Explain the HHI index and general rules by Federal Trade Commision.
6. Capital budgeting tools. Net Present Value, Payback- Period, Profitability index and Accountability index
7. Financial performance analysis of the firms and its significance.
8. Explain liquidity and activity ratios
9. Explain profitability index and calculate the following problem:
10. Explain profitability ratios, debt and solvency ratios.

11.The other question will cover investment appraisal and indexes