

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: Competition Law **Course Code: LLBL 502** **Semester: XIth**

Programme: B.TECH.(CSE), LL.B. (Hons.) Cyber Laws 2013

Time: 03 hrs.

Max. Marks: 100

Instructions: Separate instructions are given for all the sections in the Question Paper. Please attempt accordingly.

SECTION A

S. No.		Marks	CO
Q 1	Write short notes on the following:	[2*5] 10	
	a). Oligopoly		CO1
	b). SSNIP Test		CO1
	c). Competition Defence		CO1
	d). New Economy Markets		CO1
	e). Selective Low Pricing		CO1

SECTION B

Q 2	Explain the following:	[5*2] 10	
	a). Single Branding Contracts		CO2
	b). Merger Control		CO2
Q 3	What do you understand by the term Margin squeeze? Explain with the help of relevant case laws.	10	CO2

SECTION-C

Q 4	The idea that a dominant undertaking has a duty to supply, and that a refusal to do so will be an abuse, is contrary to deep seated notions of freedom of contract which decree that one should be free to deal with whom one chooses. Critically analyze with the help of relevant provision(s) and case laws.	10	CO4
Q 5	Discuss the concept of tying and bundling in light of following case law: - Case T-201/04, Microsoft vs. Commission [2007] ECR II-3601.	10	CO4

SECTION-D

<p>Q 6</p>	<p>Competition issues in aftermarkets arise when a producer of durable goods, in an attempt to monopolise the aftermarket, behaves in a fashion that restricts alternative producers from offering a complementary good or service. This monopoly behaviour and the concomitant abuse of market power allow the producer in the primary market to charge supra-competitive prices and impose other anti-competitive restraints in the aftermarket.</p> <p><u>In light of the above, please answer the following questions:</u></p> <p>a. Explain the concept of ‘Essential Facilities Doctrine’. b. Critically analyze the decision given by CCI in the following case: -Shamsher Kataria v. Honda Siel Cars India Ltd Case No. 03 of 2011</p>	<p>12.5 12.5</p>	<p>CO3 CO3</p>
<p>Q 7</p>	<p>The modern approach to the assessment of predatory pricing strategies has been defined by taking into account the criticism of the Chicago School. Chicago scholars claimed that predatory pricing is an unwise strategy for a dominant firm to adopt. As a result, they concluded that, contrary to popular belief, predatory pricing is unlikely to be observed in reality. As they did in other areas of competition law where their perspectives transformed the discipline, Chicago scholars reached this conclusion by looking at the practice from the perspective of productive efficiency.</p> <p><u>In light of the above, please answer the following questions:</u></p> <p>a. If productive efficiency is considered, it would seem that predatory pricing is unlikely to be pursued as a strategy. Why? What are the more cost-efficient alternatives for dominant firms? b. What are the legal implications of Aaron Director’s insights about predatory pricing? c. What is the logic behind the Areeda-Turner test? Do you think the presumption in which it is based is always valid? d. Can you think of some instances in which it may be justified to take action against above-cost pricing by dominant firms? Why? e. What is the logic behind requiring evidence of recoupment? Can you think of the market circumstances suggesting that recoupment is a likely prospect?</p>	<p>5 5 5 5 5</p>	<p>CO3 CO3 CO3 CO3 CO3</p>

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SECTION A

S. No.	Question	Marks	CO
Q 1	Write short notes on the following:	10 [2*5]	
	a). Type I errors		CO1
	b). Market power		CO1
	c). Variable cost		CO1
	d). Economies of scale		CO1
	e). Perfect competition		CO1

SECTION B

Q 2	Explain the following:	10 [5*2]	
	a). Output restrictions		CO2
	b). Market sharing		CO2
Q 3	What do you understand by abuse of dominant position.	10	CO2

SECTION-C

Q 4	Explain the concept of tying and bundling. What is the most plausible explanation behind tying and bundling arrangements as per the Chicago scholars?	10	CO4
Q 5	What were the factors suggesting that the Bridgestone/Bandag merger was a source of competition concern? Why did the Commission come to the opposite conclusion?	10	CO4

SECTION-D

<p>Q 6</p>	<p>Refusals to deal cases arise in instances where a dominant firm is vertically-integrated. The firm enjoys a dominant position (typically, a monopoly or a quasi-monopoly) on an upstream market. Claims are only likely to be credible where access to the upstream input over which the firm holds control is indispensable for rivals operating on a downstream, vertically-related, market. Rivals may rely on competition law to request access to the input controlled by the vertically-integrated firm in two separate scenarios. The first is one in which a rival requests access to the relevant input for the first time. The second concerns an instance in which the dominant firm ceases to deal with its downstream rivals. An analysis of the case law (both in the US and the EU) shows that it is not entirely clear whether the same rules apply to refusals to start dealing and to refusals to continue doing so.</p> <p>In light of the above, please answer the following questions:</p> <p>a. If a dominant firm is required to deal with rivals, this will increase competition on the downstream. How do you explain, then, Areeda’s doubts about the essential facilities doctrine?</p> <p>b. Is an obligation to deal imposed on a dominant firm positive or negative for consumers (or end-users)? Why?</p>	<p>12.5</p> <p>12.5</p>	<p>CO3</p> <p>CO3</p>
<p>Q 7</p>	<p>Cartels pose a serious threat to economies and consumers. Many competition authorities now work together through formal and informal bilateral and multilateral arrangements to combat such cartels.</p> <p>In light of the above, please answer the following questions:</p> <p>a. What is a cartel. Explain explicit and tacit collusion?</p> <p>b. Why are cartels considered cancers on the open market economy?</p> <p>c. Explain Leniency Programme.</p>	<p>10</p> <p>10</p> <p>5</p>	<p>CO3</p> <p>CO3</p> <p>CO3</p>

