

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: **Competition Law**
Semester-VIII (Batch: 2013-18)

Mid Semester Test: Feb-Mar. 2017

Date: 3rd March, 2017

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

**Answer any three of the following questions:
(Maximum 550-600 words for each answer)**

Marks
(3x10=
30)

- Q.1 Danic, a US leather products manufacturer, instituted a policy whereby it refused to sell to retailers that discounted its products below the suggested price. The purpose of this policy was to promote superior customer service, which was lacking with most discounting conglomerates. In return, Danic set a price to ensure that retailers received sufficient margins on Danic products, allowing them to provide superior quality customer service consistent with the distribution strategy, and maintaining a high quality brand image. Camsek, a retailer of Danic products, began discounting the products in violation of the set price. Danic then discontinued distribution to the retailer. Camsek filed a suit, alleging violation of Section 1 of the Sherman Antitrust Act, 1890.
- (a) What type of agreement does Danic's suggested pricing policy indicate? Elucidate.
- (b) Whether the above-said pricing policy is maintainable in the court of law? Examine.
- Q.2 Certain retail tyre dealers periodically circulated amongst themselves a list containing names of wholesale tyre dealers, who were reportedly selling tyres directly to consumers. Although there was no agreement on the part of the retailers to refrain from dealing with the wholesalers whose names appeared on the list, many of the retail dealers stopped purchasing tyres from the listed wholesalers.
- (a) Can an antitrust agreement be inferred from the course of conduct followed by the retail tyre dealers? Explain.
- (b) Whether a parallel action alone can be sufficient to establish a conspiracy? Comment.
- Q.3 Critically examine the two prominent schools of thought on competition analysis. Explain the usefulness of game theory in terms of non-cooperative static and repeated games in understanding the oligopolistic competition.
- Q.4 Write short notes on the following:
- (a) Distinguishing features of the Competition Act, 2002 *vis-à-vis* the erstwhile MRTP Act, 1969
- (b) Doctrine of restraint of trade in the context of the development of competition law
