

Roll No.....

NATIONAL LAW UNIVERSITY, DELHI
LL.M. Degree Programme, II-Semester (Batch of 2018)
End-Semester Examinations, April - 2019
Paper: Advanced Competition Law

Time: 3:00 Hours

Total Marks: 50

Instructions:

1. Read the questions carefully and answer.
2. The examination is an open book examination. Students are allowed to bring books, journals, printed articles and other printed materials. No handwritten materials are allowed. No access to laptops or internet is permitted during the examination. All questions are compulsory.
3. No clarification shall be sought on the question paper.
4. Do not write anything on the question paper except your roll no.

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- Q1.** Comment on any two of the following statements: **(5+5= 10 Marks)**
- a. "No allegation of abuse of dominance can be made against an entity which is not an "enterprise".
 - b. Information exchanges among competitors increase transparency in the market, which can lead to efficiency enhancing benefits but may also present competition risks.
 - c. Algorithmic price discrimination is a defence to abuse of dominant position.
- Q2.** A combination application has been filed by NS Co and SM Co to acquire 51 % shareholding in SS Co and transfer of 100% shareholding in OV Co to SS Co. NS Co is based in Tokyo and is engaged in the business of manufacture and sale of tubes, pipes, auto parts in India. Its presence in manufacture of these steel products is limited in the country. SS Co manufactures special steel and has two subsidiaries namely, SSS India and MSS P Ltd. MSS P Ltd is a joint venture between SS Co, MM Co and M Co Ltd in shareholding of 51%, 29% and 20% respectively.
- Advise CCI about the relevant factors which should be used for analysing the proposed combination and whether this application should be approved by it? **(10 Marks)**
- Q3.** X Ltd is a car manufacturer and has dealership agreements with its dealers. The dealers are required to obtain prior consent of X Ltd before taking up dealership of another brand. X Ltd's dealers are bound to procure spare parts, accessories and all other requirements, either directly from the X Ltd or through vendors approved by it. X Ltd imposed a "Discount Control Mechanism" through which dealers were only permitted to provide a maximum permissible discount and are not authorised to give discount which was above their recommended range. In the market a price collusion is predicted amongst competitors of X Ltd. This information has been brought to the notice of the competition agency by a car manufacturer and it was also indicated that purchase of desired cars to the sale of high-priced and unwanted cars was tied to dealers and X Ltd designated sources of supply for complementary goods for dealers as well.
- Analyse the case and identify anti-competitive practices, if any in the given facts. **(10 Marks)**

Q4. Discuss any two of the following:

(5+5= 10 Marks)

- a. *If price discrimination increases consumer welfare, there is no abuse; and if there is a decrease in consumer welfare this will likely be anticompetitive, unless an objective justification" applies.*
- b. *"A dominant undertaking may charge a price for the product on the upstream market which, compared to the price it charges on the downstream market, does not allow even an equally efficient competitor to trade profitably in the downstream market on a lasting basis."*
- c. *"The utility that a given user derives from the good depends upon the number of other users who are in the same 'network' as is he or she is" plays a major role in relation to the consumer making certain preferences while purchasing a product or using a service in the digital environment.*

Q5. Critically examine any four of the following instances if they fall under anti-competitive practices? Answer with reasons and justifications: **(2.5+2.5+2.5+2.5= 10 Marks)**

- a. A single meeting of representatives of mobile network operators to discuss the matter of reduction of commission will constitute a concerted practice.
- b. A firm providing secretarial assistance and organisational services as a consultant to a group of producers does not accept to be engaged in anti-competitive conduct.
- c. A rebate scheme was floated by a player and uses 'as efficient test' in its defence.
- d. A producer revised prices of its products and in its defence gave the right to adapt to existing or anticipated conduct of its competitors.
- e. A supplier supplies goods to some consumers on the same day when ordered by them but to others after a delay of nine days. He does not accept it as distortion of supplies.