



Award in Principles of Competition Law
MQF Level 5 3 ECTS
Intake: October 2022

Competition Compliance Quiz¹

1. The subjects of competition law are: (Check one)
 - A. Individuals.
 - B. Individuals and Undertakings.
 - C. Undertakings.


2. Competition law generally prohibits: (Check one)
 - A. Price fixing.
 - B. The division or allocation of customers or sales territories by competing manufacturers.
 - C. Both of the above.


3. Competition law generally does not prohibit: (Check two)
 - A. Termination of a distributor for failure to pay for supplies of the product.
 - B. Termination of a distributor for aggressive discounting.
 - C. Suggestions or recommendations to customers regarding their resale prices.
 - D. Attempts by a company to maintain a position of market power on a particular market by selling below cost.


¹ This Quiz has been sourced and adapted from the Global Competition Compliance Toolkit Baker & McKenzie



4. You are attending an industry trade association meeting. Over a drink in the bar afterwards a representative of one of your competitors begins to discuss his company's plans to stop offering discounts which have reached excessive levels in recent months. (Check one)
- A. This is permissible if a lawyer is present in the bar.
 - B. This is permissible if nothing is put in writing.
 - C. You should say nothing that indicates your agreement.
 - D. You should get up and leave the bar.
 - E. You should state that you cannot participate in any such discussions, and, if he continues, leave the bar.
 - F. You should stand up, decline to participate, and then punch the competitor's representative in order to emphasise the point.
5. At an industry trade show, a group of your leading distributors request a private meeting with you. At that meeting, they complain that another of your distributors has been carrying out a policy of aggressive discounting which is causing havoc in the market. They ask you to terminate this distributor. You should: (Check one)
- A. Tell the complaining distributors that you cannot talk to them about the possible termination of another distributor.
 - B. Agree to terminate the price-cutting distributor if you can find a good excuse.
 - C. Tell the complaining distributors that you cannot talk to them about pricing or termination of another distributor and then report the incident to the legal department.
 - D. Say nothing to the complaining distributors but later tell the price-cutter that he will be terminated unless he brings his prices into line.
 - E. Make no comment or commitment to the complaining distributors, but immediately terminate the offending distributor.

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6. A dealer who you know discounts frequently calls and asks permission to price below your recommended resale price. What are you permitted to say in response? (Check any answers which might apply)
- A. You do not refuse permission but offer to include the dealer in a new promotion if he maintains the RRP.
 - B. You grant permission but encourage the dealer to make this an exception.
 - C. You grant permission.
 - D. You tell the dealer that pricing is a matter for the dealer to decide and not something which requires permission.
7. When a company is found to have infringed the competition rules, which of the following penalties might be applicable? (Check any answer that might apply)
- A. A fine of up to 10% of turnover.
 - B. A periodic penalty payment in order to compel the company to put an end to an infringing activity.
 - C. The Chief Executive and other managers of the company may be sent to prison if they are aware of, and condone, the infringement.
 - D. All of the above.
8. Which of these activities can your company engage in being in a dominant position on the relevant markets: (Check one)
- A. After having developed a very popular version of operating systems for computers you decide to sell it only if customers also buy your media software.
 - B. As a Michelin star restaurant, you refuse to give a regular customer a table reserved for other diners.
 - C. As a dominant internet service provider, you may sell subscriptions at a low price even if it deters potential competitors from entering the market.

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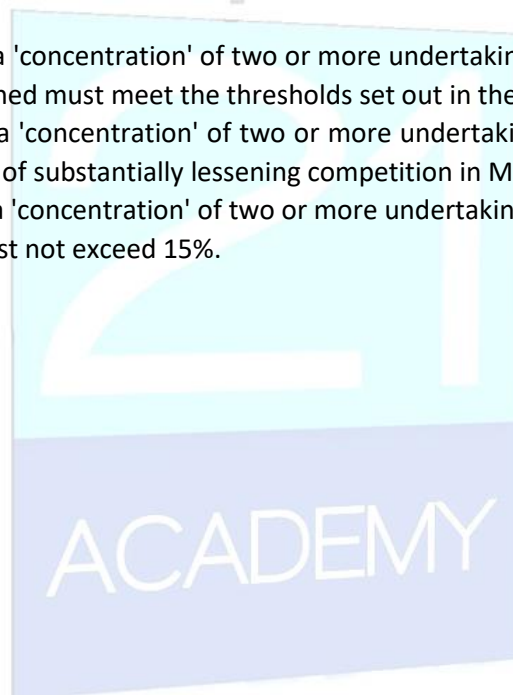



9. What is predatory pricing? (Check one)


- A. Where a dominant firm reduces its prices to less than cost in order to drive a competitor out of the market.
- B. abusive behaviour by a dominant firm with substantial market power which enables it to behave as if it were a monopolist.
- C. A retailer agreeing with its supplier not to sell below a particular retail price.


10. When do you have to obtain authorisation from the competition authority in the event of a merger, acquisition or joint venture? (Check one)

- A. First, there must be a 'concentration' of two or more undertakings, and second, the turnover of the undertakings concerned must meet the thresholds set out in the legislation.
- B. First, there must be a 'concentration' of two or more undertakings, and second, the concentration must have the effect of substantially lessening competition in Malta.
- C. First, there must be a 'concentration' of two or more undertakings, and second, the market share of the undertakings must not exceed 15%.



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