

**BERJAYA BUSINESS SCHOOL****FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **ECO1503 Economics**
Trimester & Year : May- August 2018
Lecturer/Examiner : Dr Smitha Geetha
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:**
PART A (30 marks) : Answer all THIRTY (30) multiple choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.
PART B (70 marks) : Answer all FOUR (4) structure-type questions. Answers are to be written in the Answer Booklet provided.
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.**
- This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.**
- Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.**

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

PART B : STRUCTURE-TYPE QUESTIONS (70 MARKS)

INSTRUCTION(S) : Answer all **FOUR (4)** questions. Write your answers in the Answer Booklet(s) provided.

Question 1

Based on the following table, answer the questions.

Price (RM)	Quantity demanded			Market demand
	Consumer A	Consumer B	Consumer C	
0	20	21	19	
1	16	18	16	
2	12	15	13	
3	8	12	10	
4	4	9	7	
5	0	6	4	
6	0	3	1	
7	0	0	0	

- (i) Calculate the market demand. (4 marks)
- (ii) Using a diagram, draw the individual demand curve for consumers A, B and C, and derive the market demand curve. (10 marks)
- (iii) Calculate the price elasticity of demand when the price increases from RM 4 to RM6. (6 marks)

[Total: 20 marks]

Question 2

a) Complete the following table.

Output	Total Fixed Cost	Total Variable Cost	Total Cost	Marginal Cost	Average Fixed Cost	Average Variable Cost	Average Total Cost
0			60				
1				100			
2							120
3						80	
4			400				
5		500					

(10 marks)

b) Is the firm operating in the short run or long run? Why?

(2 marks)

c) Sketch the following curves in a graph:

- (i) Average fixed cost
- (ii) Average variable cost
- (iii) Average total cost
- (iv) Marginal cost

(8 marks)

[Total: 20 marks]

Question 3

Briefly discuss the **FOUR (4)** macroeconomic goals.

(10 marks)

Question 4

Evaluate the characteristics of **FOUR (4)** types of market structures.

(20 marks)

END OF EXAM PAPER