



**BERJAYA BUSINESS SCHOOL**

**FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) :

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Course Code & Name : **ECO1503 Economics**  
 Trimester & Year : May- August 2019  
 Lecturer/Examiner : Dr Smitha Geetha  
 Duration : 3 Hours

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**INSTRUCTIONS TO CANDIDATES**

- This question paper consists of 2 parts:**  
**PART A (30 marks) : THIRTY (30) multiple-choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.**  
**PART B (70 marks) : 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.

**Total Number of pages = 3 (Including the cover page)**

**PART B****: STRUCTURE-TYPE QUESTIONS (70 MARKS)****INSTRUCTION(S)**

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

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**Question 1**

The following table presents the production possibility schedule for an economy, which produces only apples and grapes.

Production possibilities combinations	Apples(kg)	Grapes(kg)
A	0	8
B	1	7.5
C	2	6.5
D	3	5
E	4	3
F	5	0

a) Draw the economy's production possibility curve (PPC). (4 marks)

b) What is the opportunity cost of increasing the apple production from 2 to 3 kg? (1 mark)

c) In the following productions, state whether each production is attainable or unattainable and the efficiency of the production.

- I. 1.5kg of apples and 7kg of grapes
- II. 3.5kg of apples and 3kg of grapes
- III. 6kg of apples and 10 kg of grapes (3 marks)

d) If any of the answers in (C) is 'unattainable', state and explain **TWO (2)** factors that could make the combination(s) attainable instead. (2 marks)

**[Total: 10 marks]**

**Question 2**

a) Discuss any **FIVE (5)** factors affecting demand.

(10 marks)

b) With the help of a diagram explain economies and diseconomies of scale.

(10 marks)

**[Total: 20 marks]**

**Question 3**

a) Identify the degrees of price discrimination with examples.

(10 marks)

b) Discuss why the demand curve in an oligopoly is kinked.

(10 marks)

**[Total: 20 marks]**

**Question 4**

a) Briefly explain the **THREE (3)** conflicting macro-economic goals.

(9 marks)

b) Complete the cost table.

Quantity	Total Variable Cost	Total Fixed Cost	Total Cost	Marginal Cost	Average Total Cost	Average Variable Cost	Average Fixed Cost
0			500	-			
1			700	200			
2				100			
3				250			
4				400			
5				510			

(11 marks)

**[Total: 20 marks]**

**END OF EXAM PAPER**