



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **ECO 1113 Microeconomics**
 Semester & Year : September-December 2017
 Lecturer/Examiner : Dr Smitha Geetha
 Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. 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 SEVEN (7) short essay questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. 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.
4. 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 of Hospitality 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 of Hospitality.

Total Number of pages = 7 (Including the cover page)

PART B**: SHORT ESSAY QUESTIONS (70 MARKS)****INSTRUCTION(S)**

: Answer all **SEVEN (7)** questions. Write your answers in the Answer Booklet(s) provided.

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)
- b) What is the opportunity cost of increasing the apple production from 2 to 3 kg?
- 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
- d) If any of the answers in (C) is 'unattainable', state and explain TWO (2) factors that could make the combination(s) attainable instead. (10 marks)
2. Discuss FIVE (5) factors affecting demand. (10 marks)
3. Briefly explain the elasticity concept and the three types of elasticity. (10 marks)
4. With the help of a diagram explain economies and diseconomies of scale.

(10 marks)

5. Discuss why the demand curve in an oligopoly is kinked.

(10 marks)

6. Identify the degrees of price discrimination with examples.

(10 marks)

7. 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			

(10 marks)

END OF EXAM PAPER