



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) :

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Subject Code & Name : **ECO1503 ECONOMICS**

Semester & Year : January – April 2022

Lecturer/Examiner : Suhada Binti Ishak

Duration : 3 Hours

**INSTRUCTIONS TO CANDIDATES**

- This question paper consists of 2 parts:**

**PART A (30 marks) : THIRTY (30) multiple choice questions. Answer ALL questions. Shade your answers in the Multiple Choice Answer Sheet provided.**

**PART B (70 marks) : FOUR (4) problem solving questions. Answer ALL 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 = 11 (Including the cover page)**

**PART B : FOUR (4) ESSAY QUESTIONS (70 MARKS)**

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

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**Question 1**

The following table shows the demand and cost schedules for a monopolistic competitive firm.

a. Complete the following table:

Quantity	Price (RM)	TR	MR	TC	MC
3	11.00			10.00	
4	10.00			12.00	
5	9.00			13.00	
6	8.00			16.00	
7	7.00			21.00	
8	6.00			28.00	

(9 marks)

b. Determine the output level as the firm maximizes its profit.

(1 mark)

c. Identify whether the firm realizing economic profits or losses at the profit maximizing output.

(2 marks)

d. State whether the firm operating in the short run or long run. Explain your reasons.

(2 marks)

**[Total: 14 marks]**

**Question 2**

a. Define internal and external economies of scales.

(4 marks)

b. Describe in detail **FOUR (4)** characteristics of internal economies of scale and **FOUR (4)** external economies of scale by providing examples for each.

(12 marks)

**[Total: 16 marks]**

### Question 3

By using a table, differentiate between the perfectly competitive and monopoly using **FOUR (4)** of the following factors:

- i. Characteristics
- ii. Long-run equilibrium
- iii. Price and quantity and
- iv. Efficiency

Hence, sketch a graph that compares the equilibrium price and output in a monopoly and perfect competition.

**(20 marks)**

### Question 4

Define circular flow and explain the **FOUR (4)** sectors in circular flow. Illustrate with circular flow diagram.

**(20 marks)**

**END OF EXAM QUESTIONS**