

FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ECO1113 MICROECONOMICS**
Semester & Year : January – April 2023
Lecturer/Examiner : Suhada Binti Ishak
Duration : 2 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) Short Essay 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 = 9(Including the cover page)

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

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

Question 1

The table below shows the demand and supply schedules for compact discs (CD) for a month.

Price (RM)	Quantity demanded (units)		Quantity supplied (units)	
	Household demand	Market demand	Individual supply	Market supply
2.00	20		30	
2.50	18		40	
3.00	15		50	
3.50	12		55	
4.00	10		60	
4.50	7		68	

There are 50 households purchasing and 15 sellers selling the CDs in the market.

- a. For each price, determine the market demand and the market supply of the CDs.
(6 marks)
- b. Using a diagram, plot the market demand and market supply curves for the CDs.
(4 marks)
- c. Determine the equilibrium price and equilibrium quantity for the CDs in the market.
(2 marks)
- d. The government decided to impose a ceiling price of RM 1 below the equilibrium price.
 - i. State the new equilibrium price.
 - ii. Calculate the shortage or surplus that could be.
(3 marks)

[Total: 15 marks]

Question 2

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.

(2 marks)

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: 15 marks]

Question 3

Differentiate the following:

- a. Micro economics and Macroeconomics (5 marks)
- b. Total cost and Total fixed cost (5 marks)
- c. Perfect competition and Monopolistic competition (5 marks)
- d. Socialist economy and Mixed economy (5 marks)

[Total: 20 marks]

Question 4

Briefly explain 5 (FIVE) factors affecting price elasticity of demand.

[Total: 20 marks]

END OF EXAM QUESTION