



## FACULTY OF BUSINESS

## FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

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Course Code & Name : **ECO1503 ECONOMICS**

Semester &amp; Year : January – April 2023

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) : FIVE (5) 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 : FIVE (5) ESSAY QUESTIONS (70 MARKS)**

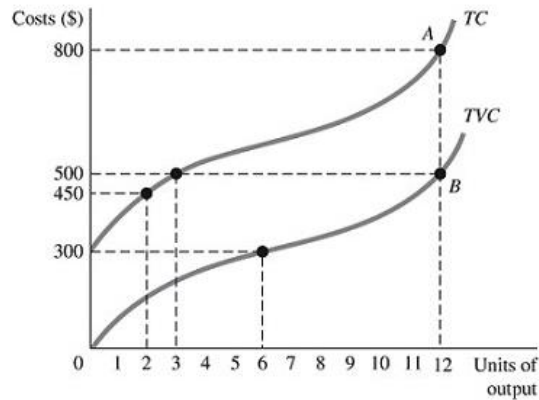
**INSTRUCTION(S) :** Answer all questions. Write your answers in the Answer Booklet(s) provided.

**Question 1**

- a. Discuss any **THREE (3)** macro-economic goals. (6 marks)
  - b. List any **FOUR (4)** characteristics of mixed economy. (4 marks)
- [Total: 10 marks]**

**Question 2**

Refer to the information provided in Figure 1 below to answer the questions follow:



**Figure 1**

- a. The vertical distance *AB* represents \_\_\_\_\_ . (1 mark)
  - b. Determine Micro Oven's average fixed costs of producing two units of output. (2 marks)
  - c. Calculate average variable costs if six microwave ovens are produced. (2 marks)
  - d. Calculate Micro Oven's average total costs if twelve microwave ovens are produced (2 marks)
  - e. Compute the marginal cost of the third microwave oven (3 marks)
- [Total: 10 marks]**

### Question 3

For each of the following statements, calculate the elasticity co-efficient and explain their meaning.

- i. When the price of coffee dropped from RM 0.90 to RM 0.80 per cup, the quantity demanded for sugar also decreased from 50 to 20 units.  
(2.5 marks)
- ii. When wage rate increased from RM 8 to RM 10 per hour, the number of job applicants rose from 200 to 280 people.  
(2.5 marks)
- iii. When the price of cement in Malaysia increased by 20%, building contractors reduced the number of apartments constructed from 300 to 250 units.  
(2.5 marks)
- iv. The price of entrance tickets for Sunway Lagoon which decreased from RM 30 to RM 25 caused a surge of visitors by 25%.  
(2.5 marks)

**[Total: 10 marks]**

### Question 4

- a. Discuss why the demand curve in an oligopoly is kinked. Illustrate with a diagram.  
(10 marks)
- b. Compare and contrast the fiscal and monetary policy.  
(10 marks)

**[Total: 20 marks]**

### Question 5

- a. Define internal and external diseconomies of scales.  
(2 marks)
- b. Describe in detail **THREE (3)** characteristics of internal diseconomies of scale and **THREE (3)** external diseconomies of scale by providing examples for each.  
(18 marks)

**[Total: 20 marks]**

**END OF EXAM QUESTION**