



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Student ID (in Words) : _____

Course Code & Name : **ECO1113 Microeconomics**
Semester & Year : January – April 2024
Lecturer/Examiner : Wan Ahmad Asrar Nik @ Wan Yahya
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:

PART A (30 marks) : THIRTY (30) multiple-choice questions. Answers are to be written in the Multiple-Choice Answer Sheet provided.
PART B (70 marks) : THREE (3) short answer 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 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.

PART B**: SHORT ANSWER QUESTIONS (70 MARKS)****INSTRUCTION (S)**: Answer all **THREE (3)** short answer questions.

Write your answers in the Answer Booklet (s) provided.

Question 1

- a) Define microeconomics. (2 marks)
- b) Explain the relationship between scarcity, choice and opportunity cost with examples. (6 marks)
- c) Describe **FOUR (4)** determinants of demand. (8 marks)
- d) With the aid of diagrams, differentiate between change in quantity demanded and change in demand. (8 marks)

[Total: 24 marks]**Question 2**

- a) Define price elasticity of demand. (2 marks)
- b) With the aid of diagrams, explain:
- i) Elastic demand (4 marks)
 - ii) Inelastic demand (4 marks)
 - iii) Perfectly inelastic demand (4 marks)
- c) The function of market demand and supply for fish cracker market in Malaysia is as below. In the function, Q is the quantity of fish cracker while P is the price of fish cracker.

$$Q_d = 75 - 4P$$

$$Q_s = 15 + 2p$$

- i) Calculate the equilibrium price and quantity for the fish cracker market. (4 marks)
- ii) Sketch the market equilibrium curve and label the equilibrium price and quantity. (4 marks)
- iii) Explain what happens if the government imposes ceiling price below the market price. (2 marks)

[Total: 24 marks]

Question 3

a) Define variable cost.

(2 marks)

b) The table below shows the production cost of Company Saya.

Quantity (Unit)	Fixed Cost (RM)	Variable Cost (RM)	Total Cost (RM)	Average Fixed Cost (RM)	Average Variable Cost (RM)	Average Total Cost (RM)	Marginal Cost (RM)
0	20	0	20	-	-	-	-
1	20	15					
2	20	25					
3	20	30					
4	20	35					
5	20	45					

Complete the table above.

(5 marks)

c) Describe **THREE (3)** characteristics of monopolistic competition.

(6 marks)

d) State **TWO (2)** assumptions of the kinked demand curve.

(2 marks)

e) Describe **TWO (2)** conditions for price discrimination to occur.

(4 marks)

f) State **THREE (3)** basic elements of the game theory.

(3 marks)

[Total: 22 marks]

END OF EXAM PAPER