



Private & Confidential

BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **DGN1304 INTRODUCTORY ECONOMICS**
Semester & Year : January - April 2016
Lecturer/Examiner : Ms. Tey Sheik Kyin
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (30 marks) : FIFTEEN (15) multiple choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.
PART B (70 marks) : Answer ALL FIVE (5) structure-type 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 = 8 (Including the cover page)

PART B : STRUCTURE-TYPE QUESTIONS (70 MARKS)

INSTRUCTION(S) : **FIVE (5)** structure-type questions. Answer **ALL** questions in the Answer Booklet(s) provided.

Question 1

The table below shows Mary's production possibility table for oranges and apples.

Combination	Oranges (kg)	Apples (kg)
A	22	0
B	21	2
C	16	4
D	7	6
E	0	8

- a. Plot the possibility curve and label the points. (4 marks)
- b. Label the following points on the above diagram:
i. Point X – Scarcity
ii. Point Y – Productive efficiency
iii. Point Z - unemployment (6 marks)
- c. If Mary moves from point C to point D, what is the opportunity cost per unit of fruit? (4 marks)
- d. List **TWO (2)** factors that can shift the production possibilities curve bound outward. (4 marks)

[Total: 18 marks]

Question 2

- a. Using demand and supply curves, explain the effects on equilibrium quantity and price of coffee in each of the following cases.
- i. An increase in the price of tea (tea and coffee are substitute goods). (5 marks)
 - ii. The price of coffee is expected to increase in the future. (5 marks)
 - iii. Government imposes the tax on coffee. (5 marks)
- b. If the price of Good X decreases from RM 40 to RM 20, and the quantity demanded for Good Y increases from 20 units to 60 units.
- i. Calculate the cross elasticity of demand for Good X and Good Y (3 marks)
 - ii. Determine the relationships between Good X and Good Y (2 marks)
- [Total: 20 marks]**

Question 3

The table below shows the water tumbler production at Drinkware's factory.

Output (unit)	Total Variable Costs (RM)	Total Cost (RM)	Average Total Cost (RM)	Marginal Cost (RM)
1	450	5,450	()	()
2	800	()	()	()
3	1,000	()	()	()
4	1,400	()	()	()
5	1,750	()	()	()
6	1,900	()	()	()
7	2,000	()	()	()

- a. Calculate the Total Cost (TC) for each product. (3 marks)
- b. Calculate the average total cost and marginal cost for each product (7 marks)
- [Total: 10 marks]**

Question 4

Briefly explain the difference between the following terms:

a. Fixed input and variable input

(4 marks)

b. Short run and long run

(4 marks)

[Total: 8 marks]

Question 5

The following table shows the price, quantities, and total cost of a monopolist at the various quantities of output:

Price (RM)	Quantity sold (units)	TR (RM)	MR (RM)	TC (RM)	MC (RM)
10	10	100	-	50	-
9	15			75	
8	20			100	
7	25			125	
6	30			150	

a. Calculate the marginal cost (MC), total revenue (TR) and marginal revenue (MR) for each level of output.

(6 marks)

b. Determine the profit-maximising output, price and profit/loss earned by the monopolist.

(8 marks)

[Total: 14 marks]

END OF QUESTION PAPER