



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) : 

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

Student ID (in Words) : \_\_\_\_\_  
 \_\_\_\_\_

Course Code & Name : **ECO1503 Economics**  
 Trimester & Year : January-April 2019  
 Lecturer/Examiner : Dr Smitha Geetha  
 Duration : 3 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 shaded in the Multiple Choice Answer Sheet provided.**  
     **PART B (70 marks) : FOUR (4) 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 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****: STRUCTURE-TYPE QUESTIONS (70 MARKS)****INSTRUCTION(S)**

: Answer all **FOUR (4)** questions. Write your answers in the Answer Booklet(s) provided.

---

**Question 1**

The following table shows the relationship between the price of Good X and the quantity demanded for goods A, B and C (consumed by a household).

Price of Good X (RM)	Quantity demanded (unit)		
	Good A	Good B	Good C
10	80	100	100
20	60	120	90
30	40	140	80
40	20	160	70
50	0	180	60

a) Define the following.

- (i) Cross elasticity of demand
- (ii) Income elasticity of demand

(6 marks)

b) If the price of good X decreases from RM40 to RM20, calculate the cross elasticity of demand for:

- (i) Good X and Good A
- (ii) Good X and Good B

(6 marks)

c) Based on your answer above, determine how Goods A and B are related to Good X.

(2 marks)

d) Suppose that the income of the household increases from RM1000 to RM 1400 and the demand for good C decreases from 80 to 60 units. Calculate the income elasticity of demand for good C and explain what type of good C is.

(6 marks)

**[Total: 20 marks]**

## Question 2

a) Discuss the difference between capitalism and socialism.

(10 marks)

b) Using a diagram, explain the factors that influence the shift of production possibility curve.

(10 marks)

**[Total: 20 marks]**

## Question 3

Compare the pricing and output policies of oligopoly and monopolistic competition with the help of diagram.

(10 marks)

**[Total: 10 marks]**

## Question 4

a) Briefly explain the **THREE (3)** conflicting macro-economic goals.

(12 marks)

b) Describe the law of diminishing returns and the **THREE (3)** stages of production.

(8 marks)

**[Total: 20 marks]**

**END OF EXAM PAPER**