



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **ECO 1014 PRINCIPLES OF ECONOMICS**
 Semester & Year : January-April 2020
 Lecturer/Examiner : Dr Smitha Geetha
 Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:
PART A (20 marks) : TWENTY (20) multiple-choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.
PART B (80 marks) : FOUR (4) structured-type 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.

PART B : STRUCTURED-TYPE QUESTIONS (80 MARKS)

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

Question 1

a) Discuss the **THREE (3)** basic economic concepts using the production possibility curve (PPC). (10 marks)

b) State whether each of the following statements concerns Micro or Macroeconomics.

- i. Toyota had increased the production of a new hybrid car since May 2009.
- ii. The number of workers in a cement industry has increased tremendously over the last five years.
- iii. China's unemployment rate had decreased since the implementation of an open economy.
- iv. Meat prices have increased as a result of a higher tariff rate.
- v. The demand for cars is anticipated to rise ever since the government raised the income of civil servants.
- vi. In 2009, Malaysia's inflation rate was 2.9%.
- vii. The import of rice from Thailand and Vietnam has increased in tandem with domestic consumption.

(7 marks)

c) Explain any **THREE (3)** determinants of supply.

(3 marks)

[Total: 20 marks]

Question 2

a) Briefly explain the **FOUR (4)** functions of money in an economy.

(8 marks)

b) Identify the **THREE (3)** components of money supply.

(6 marks)

c) Differentiate between direct and indirect taxes, using examples.

(6 marks)

[Total: 20 marks]

Question 3

Differentiate the following.

- a) Total utility and marginal utility. (4 marks)
- b) Gross Domestic Product and Gross National Product. (4 marks)
- c) Regressive taxation and progressive taxation. (4 marks)
- d) Public finance and private finance. (4 marks)
- e) Nominal wage and real wage. (4 marks)

[Total: 20 marks]

Question 4

- a) Define national income. (2 marks)
- b) Discuss **FOUR (4)** uses of national income statistics. (4 marks)
- c) Describe the **THREE (3)** approaches to calculate national income. (6 marks)
- d) Analyze any **FOUR (4)** difficulties of measuring national income. (8 marks)

[Total: 20 marks]

END OF EXAM PAPER