



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 2021

Lecturer/Examiner : Dr Smitha Geetha

Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. 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) 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 (80 MARKS)****INSTRUCTION(S)**

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

Question 1

The following table shows the demand and supply schedule for coconuts.

Price (RM/ton)	Quantity demanded (tons)	Quantity supplied (tons)
12	8	21
11	12	19
10	16	16
9	20	13
8	24	10
7	28	7
6	32	4
5	36	0

a) Using the graph paper, draw the market demand and supply curves for the coconuts.

(8 marks)

b) What are the equilibrium price and equilibrium quantity of the coconuts?

(4 marks)

c) If the price of the coconuts is RM8, there will be a _____ of _____ tons.

(4 marks)

d) If the price of the coconuts is RM12, there will be a _____ of _____ tons.

(4 marks)

[Total: 20 marks]

Question 2

a) Using the graph explain the law of diminishing marginal utility.

(10 marks)

The following table shows the marginal utility of goods A, B and C. The prices of goods A, B and C are RM4, RM3, and RM2, respectively. The consumer's income is RM30.

Quantity consumed	MU _A	MU _B	MU _C
1	45	80	22
2	40	70	20
3	25	60	18
4	20	50	16
5	16	40	14
6	12	30	12
7	9	20	10
8	6	10	8
9	4	0	6
10	2	0	4

b) Calculate the marginal utility per ringgit of goods A, B and C.

(6 marks)

c) Compute the combination of goods that yields maximum satisfaction to the consumer.

(4 marks)

[Total: 20 marks]

Question 3

a) Distinguish between Gross Domestic Product and Gross National Product.

(4 marks)

b) Briefly explain the **THREE (3)** approaches in calculating Gross Domestic Product.

(6 marks)

c) Identify the **FIVE (5)** types of money.

(10 marks)

[Total: 20 marks]

Question 4

- a) Differentiate public and private goods with examples. (6 marks)
- b) Discuss the **THREE (3)** classification of taxation. (6 marks)
- c) Describe **TWO (2)** advantages and **TWO (2)** disadvantages of direct and indirect taxes. (8 marks)
- [Total: 20 marks]**

END OF EXAM PAPER