



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **ECO1113 Microeconomics**  
Semester & Year : May – August 2024  
Lecturer/Examiner : Wan Ahmad Asrar Nik @ Wan Yahya  
Duration : 2 Hours

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**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.

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**Question 1**

- a) Define economy. (2 marks)
- b) Explain the relationship between input, production and output. (6 marks)
- c) Describe **FOUR (4)** determinants of supply. (8 marks)
- d) With the aid of diagrams, differentiate between change in quantity supplied and change in supply. (8 marks)

**[Total: 24 marks]**

**Question 2**

- a) Define price elasticity of supply. (2 marks)
- b) With the aid of diagrams, explain:
  - i) Elastic supply (4 marks)
  - ii) Inelastic supply (4 marks)
  - iii) Perfectly inelastic supply (4 marks)
- c) The government may intervene the market by imposing a floor price for certain goods.
  - i) Sketch a market equilibrium curves with the imposed floor price and label the equilibrium and floor prices and quantities. (4 marks)
  - ii) Based on the diagram in i), explain how the floor price works. (4 marks)
  - iii) State **TWO (2)** advantages of floor price. (2 marks)

**[Total: 24 marks]**

**Question 3**

a) Define law of diminishing marginal returns.

(2 marks)

b) The table below shows the production of Company Awak.

Capital (Unit)	Labour (Unit)	Total Product (Unit)	Marginal Product (Unit)	Average Product (Unit)
10	0	0	0	0
10	1	8		
10	2	20		
10	3	33		
10	4	44		
10	5	50		
10	6	54		
10	7	56		
10	8	56		
10	9	54		
10	10	50		

i) Complete the table above.

(5 marks)

ii) Based on the table above plot labour input, total product (TP), average product (AP) and marginal product (MP) curves.

(6 marks)

iii) Mark the First Stage and Second Stage of the production on the diagram in ii).

(2 marks)

iv) State **THREE (3)** characteristics of the First Stage.

(3 marks)

c) Explain **TWO (2)** differences between short-run production and long-run production in terms of average cost.

(4 marks)

**[Total: 22 marks]**

**END OF EXAM PAPER**