



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **ECO1503 Economics**  
Semester & Year : May – August 2024  
Lecturer/Examiner : Wan Ahmad Asrar Nik @ Wan Yahya  
Duration : 3 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) : FOUR (4) essay 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****: ESSAY QUESTIONS (70 MARKS)****INSTRUCTION (S)**: Answer all **FOUR (4)** essay questions.

Write your answers in the Answer Booklet (s) provided

**Question 1**

- a) Define opportunity cost. (2 marks)
- b) Examine **FOUR (4)** basic economic problems faced by a hotel business in a capitalism economy. (10 marks)
- c) With the aid of a diagram, explain the production possibility curve. (10 marks)

**[Total: 22 marks]****Question 2**

- a) Using diagrams, distinguish between the changes in supply and the changes in quantity supplied. (10 marks)
- b) The table below shows theoretical demand and supply of whole chicken.

Price (RM/kg)	Quantity Supplied (kg)	Quantity Demanded (kg)	
		Restaurant A	Restaurant B
12.50	110	8	12
10.50	100	18	22
8.50	80	20	40
7.50	75	25	50
6.50	70	40	60
5.50	60	50	70

- i) Sketch the market equilibrium price and quantity of the whole chicken. (2 marks)
- ii) Suppose the government imposes a price ceiling of RM10.50 to the whole chicken. Determine the implication of the price control. (2 marks)
- iii) Show the ceiling price imposed by the government in the diagram in i) and state **ONE (1)** advantage and **ONE (1)** disadvantage of ceiling price. (4 marks)

**[Total: 18 marks]**

### Question 3

The table below shows the revenue and cost information for a monopoly firm, XYZ Sdn Bhd.

Quantity (Q) Unit	Average Revenue (AR) RM	Marginal Revenue (MR) RM	Marginal Cost (MC) RM	Average Cost (AC) RM
1	1,200	1,200	500	500
2	1,100	1,000	275	388
3	1,000	800	225	333
4	900	600	250	313
5	800	400	400	330
6	700	200	850	417
7	600	0	1,500	571
8	500	-200	2,400	800

- Plot a diagram showing revenue and profit for the company at the profit maximizing level of output. (7 marks)
- Determine the profit maximizing price and the quantity for the firm. (2 marks)
- Calculate the total profit at equilibrium. State the type of profit or loss the firm earned. Justify your answer. (4 marks)
- State **TWO (2)** characteristics of this firm. (2 marks)

[Total: 15 marks]

### Question 4

- Based on the information, calculate national income using expenditure method. (5 marks)

Item	(RM) 000,000
(a) Private final consumption expenditure	8000
(b) Government final consumption expenditure	1000
(c) Exports	70
(d) Imports	120
(e) Annual allowance for wear and tear of capital stock	60
(f) fixed Business investment	300
(g) Residential investment	200
(h) Change in stock	100
(i) Factor income to abroad	40
(j) Factor income from abroad	90
(k) Net indirect taxes	650

- Examine **FOUR (4)** macroeconomic goals. (10 marks)

[Total: 15 marks]

END OF EXAM PAPER