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BBA in TM, 4th^{Sem.}

Date: February 24, 2023 (Afternoon)

ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)
ORGANISATION OF ISLAMIC COOPERATION (OIC)
DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Mid Term Examination

Summer Semester: 2021-2022

Course Code : **BTM 4209**

Time: 1.50 Hours

Course Title: Microeconomics

Full Marks: 75

There are 3 (Three) questions. All questions carry equal marks. Marks in the margin indicate full marks. Do not write on this question paper.

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|----|-----|---|----|------------|
| 1. | (a) | What is economics? Distinguish microeconomics from macroeconomics. | 05 | CO1
PO1 |
| | (b) | What are the features of a mixed capitalist economic system? Does price mechanisms help in solving the problems of allocation of resources in such an economy in the most efficient way? | 10 | CO2
PO1 |
| | (c) | What are the three economic questions that must be answered by every society? Suppose your instructor announces during the first class that everyone, regardless of performance on exams, will receive a C in the course. How would you react? Now compare the analogy to the entire economy. | 10 | CO2
PO1 |
| 2. | (a) | What is demand? Distinguish between demand and quantity demanded. | 05 | CO1
PO1 |
| | (b) | Explain demand schedule, demand curve and demand function. Derive curve from the demand function $Q=50-10P$. | 10 | CO2
PO1 |
| | (c) | State whether the following changes increase or decrease the current demand for new American-made cars, and explain why. Also illustrate each on a diagram | 10 | CO2
PO1 |
| | | (i) An increase in the price of Japanese cars. | | |
| | | (ii) A decrease in money incomes. | | |
| | | (iii) Consumers expect lower U.S car prices in the future. | | |
| 3. | (a) | What is supply? Explain supply schedule, supply curve and supply function. Derive the supply curve from the supply function $Q=30+5p$ | 15 | CO2
PO1 |
| | (b) | State how the stipulated changes in the following supply shifters change the equilibrium price and quantities of personal computers. Assume all other shifters remain constant except the one under consideration: | 10 | CO2
PO1 |
| | | (i) A decrease in the price of typewriters - an alternative product that can be produced. | | |
| | | (ii) A decrease in the price of silicon chips. | | |
| | | (iii) Producers expect prices to be lower next year. | | |
| | | (iv) Advances are made in electronics technology. | | |
| | | (v) There is a decrease in the number of manufacturers of this product. | | |