

**FINAL EXAMINATION**

**COURSE : MICROECONOMICS**

**COURSE CODE : PEC1133**

**DURATION : 2 HOURS**

**INSTRUCTIONS TO CANDIDATES :**

1. This question paper consists of **TWO (2)** parts : PART A (04 questions)  
: PART B (04 questions)
2. Answer ALL questions from PART A. Answer TWO (2) questions from PART B.
  - i. Answer Part A and B in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of :
  - i. The Question Paper
  - ii. An Answer Booklet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

**MYKAD NO :** \_\_\_\_\_

**ID. NO. :** \_\_\_\_\_

**LECTURER :** \_\_\_\_\_

**SECTION :** \_\_\_\_\_

---

**DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO**

---

*The question paper consists of 06 printed pages*



FEB2019/B/PEC1133

**PART A: STRUCTURED QUESTIONS**

Answer ALL Questions

**1. (10 points)**

Table 1 shows Total Product, Marginal Product and Average Product for Jernang Emas Sdn. Bhd.

Table 1

Land	Labour	Total Product	Average Product	Marginal Product
5	0	0	-	-
5	1	160		
5	2	200		
5	3	210		
5	4	210		
5	5	200		
5	6	175		
5	7	147		
5	8	115		

- Fill in the columns for Average Product and Marginal Products. (4 points)
- In one diagram, sketch Average Product, Marginal Product and Total Product curves. (4 points)
- At which stage of production will a rational producer choose to produce? Why? (2 points)



## 2. (10 points)

Table 2 shows the cost of production for Syarikat Deco Berhad.

Table 2

Output	Total Variable Cost	Total Fixed Cost	Total Cost	Average Cost	Marginal Cost	Average Variable Cost
0	0	80	80	-	-	-
1	30					
2	90					
3	150					
4	240					
5	310					
6	420					

a. Complete the table above.

(6 points)

b. Calculate the Average Fixed Cost at:

- i. 5<sup>th</sup> output
- ii. 6<sup>th</sup> output

(2 points)

c. Define and give example of Total Fixed Cost.

(2 points)



## 3. (15 points)

Table 3 below shows the cost and revenue for a firm operating in perfect competition. The price of the product is RM2.00/kg.

Table 3

Quantity	Total Revenue (TR)	Total Cost (TC)	Marginal Revenue (MR)	Marginal Cost (MC)
0		8	-	-
1		9.3		
2		10.8		
3		12		
4		14		
5		16.9		
6		18		
7		24		
8		28		

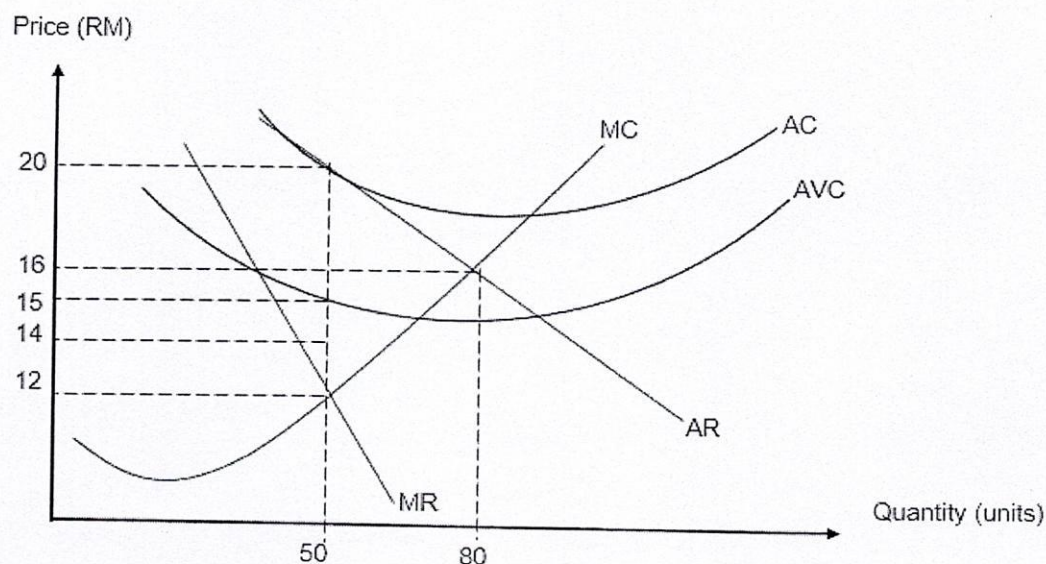
- a. Complete the table above. (5 points)
- b. In a perfectly competitive market, what does the demand curve faced by a firm? Why? (2 points)
- c. State price and output at equilibrium for the firm. (2 points)
- d. Calculate profit or loss earned by the firm at the equilibrium. State the type of the profit. (3 points)
- e. Sketch a diagram to show the profit/loss earned by the above firm. (3 points)



## 4. (15 points)

Figure 1 shows the equilibrium for Sony Sdn Bhd. Answer the following questions.

Figure 1



- Identify the market structure the firm is operating in. Give your reason. (2 points)
- If the firm is a profit maximizing firm, determine the price and output at equilibrium. (2 points)
- At the equilibrium level, calculate the firm's; (4 points)
  - Total Fixed Cost (TFC)
  - Total Variable Cost (TVC)
- Determine the amount of Total Revenue (TR) and Total Cost (TC) at equilibrium level. (4 points)
- Calculate the amount of profit received by the firm at equilibrium. (2 points)
- What type of profit earn by this firm? Why? (1 point)



**PART C: SHORT ESSAY QUESTIONS.**Answer **TWO(2)** Questions Only.**1. (10 points)**

- a. Differentiate between short run and long run and give example of the inputs in the time period. (4 points)
- b. Explain any **THREE (3)** factors of production. (6 points)

**2. (10 points)**

- a. Define the following items with its formula: (6 points)
  - i. Average Fixed Cost
  - ii. Average Variable Cost
  - iii. Marginal Cost
- b. Using suitable examples, differentiate between explicit cost and implicit cost. (4 points)

**3. (10 points)**

- a. With aid of diagram, explain the shutdown point for a perfect competitive firm. (5 points)
- b. Define price discrimination. (2 points)
- c. List **THREE (3)** types of barriers in monopoly. (3 points)

**4. (10 points)**

- a. Define monopolistic competition. (2 points)
- b. List any **FOUR (4)** characteristics of oligopoly. (4 points)
- c. Explain **TWO (2)** assumptions of kinked demand curve. (4 points)