

ACADEMIC YEAR 2023 - 2024

Program	Year	Semester	Paper
LTM	1	1	MIDTERM
MODULE NAME:	Basics of Economics		
MODULE CODE:	PECON I-I	EXAM DATE:	06.11.2023
TEACHER'S NAME:	Dr Faiza Kiran	DURATION:	90 minutes

Questions to be answered on: <input checked="" type="checkbox"/> Space provided on the question paper	Allowed requirements: Pen, Pencil & Calculator	Number of pages (Incl. cover page): 5
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Points of attention:

- For each question, the maximum earned points are mentioned between brackets at the end of each question.
- Write very clearly! Answers that are not readable are not marked and don't get points!
- Make sure your answers are written to the point.
- All answers should be written **in English**.
- Write all the answers in **blue or black pen only**.
- Use the **pencil** only for **diagrams & graphs**.
- Show all the calculation steps in the given space.
- When finished submit the question paper, together with the answer scripts and the signed cover page to the invigilator.
- Any cheating/copying may result in an instant failing of the examination.

FINAL MARKS	
STUDENT NAME:	20
STUDENT ID:	10

Number of answer scripts:.....

Invigilator:.....

Student's signature:

Time of receipt:.....

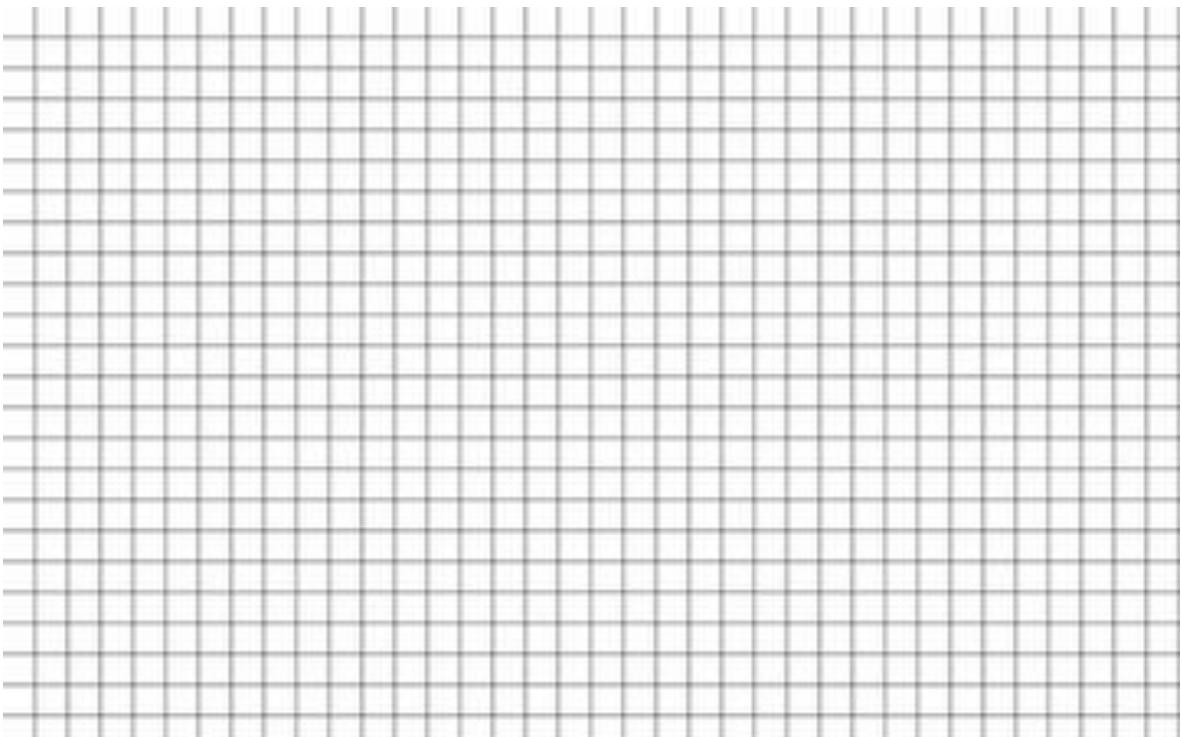
Answer all questions.

Question 1: As a student of logistics management, why is it important to study economics? (2 marks)

Question 2: Explain the concept of law of demand with the help of a table and diagram. (4 marks)

Price	Quantity demand

Explanation:



Question 3:

The law of demand states that other factors being constant (same), price and quantity demand of any good and service are inversely related to each other. When the price of a product increases, the demand for the same product will fall.

What are those factors?

(2 marks)

Factor 1:

Factor 2:

Question 4: Explain the difference between a 'trade-off' and 'opportunity cost' using a practical example. **(4 marks)**

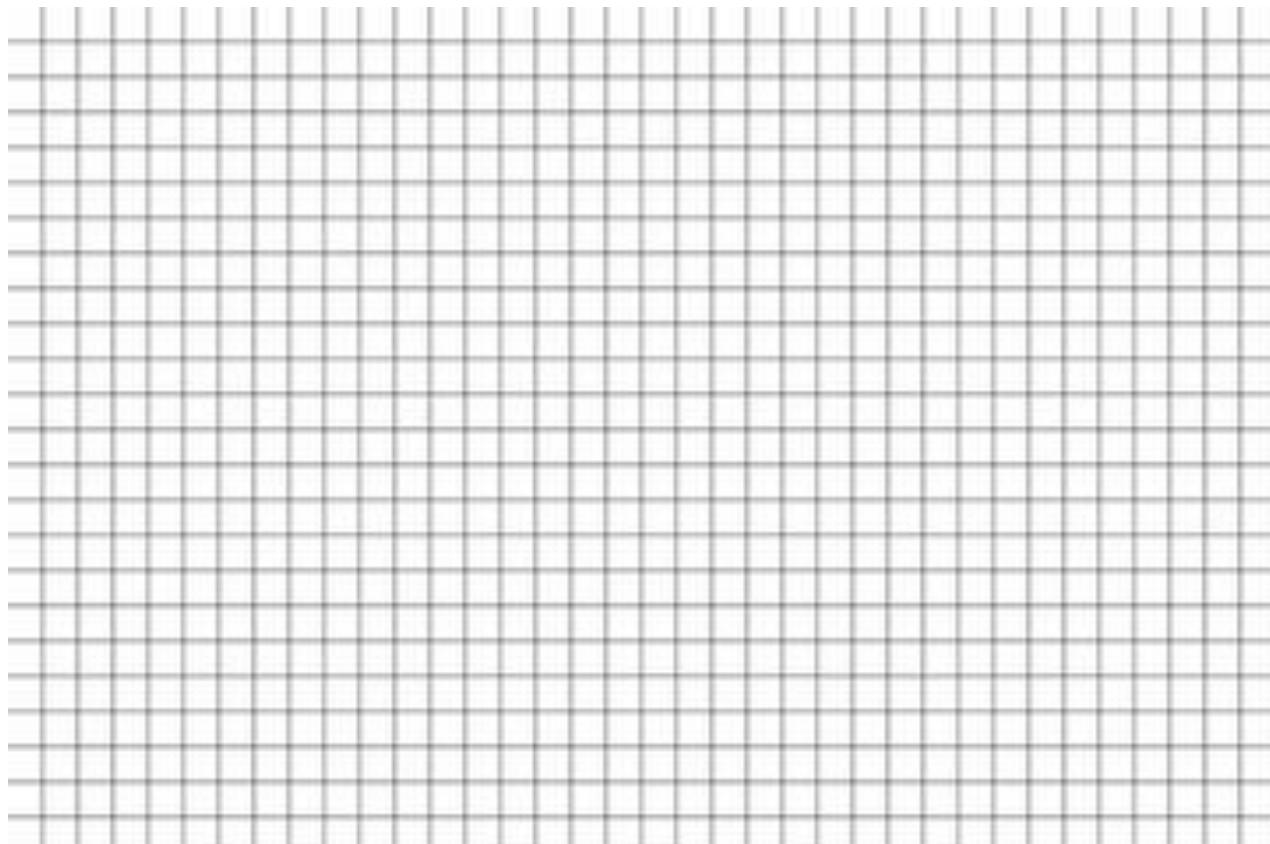
Question 5: What is the law of supply, and could you offer a real-world example to demonstrate how it works? **(2 marks)**

Question 6:

Price (USD)	Quantity demanded (Millions per year)	Quantity supplied (Millions per year)
16	140	20
32	120	60
48	100	100
64	80	140
80	60	180

a) Plot the demand and supply curves on a diagram.
 b) What is the equilibrium price and quantity?

(2 marks)



Question 7: Please choose and write in the blanks with the correct concept from the provided options

Economic activity	Economic problem	Microeconomics	Factors of Production	Macroeconomics
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1.		Analysing the demand and supply of a local bakery		
2.		Using land, labour, capital, and entrepreneurship to start a logistics company		
3.		When people have limited resources and unlimited wants		
4.		A farmer selling produce at the local market		

END OF EXAM

MLO & Bloom's Level of Complexity

Q #	MLO Addressed	Complexity Level	Mark	Remark
Q 3	2	Application	2	
Q 1	1	Understanding/ Analysing	2	
Q 4	1	Evaluating	4	
Q 6	2	Analysing	4	
Q 2	2	Remembering/analysis	4	
Q7	1	Remembering/Application	2	
Q5	2	Remembering/Application	2	