

## ACADEMIC YEAR 2023 - 2024

Program	Year	Semester	Paper
<b>LTM</b>	<b>1</b>	<b>1</b>	<b>MIDTERM</b>

MODULE NAME:	<b>Basics of Economics</b>		
MODULE CODE:	<b>PECON I-I</b>	EXAM DATE:	<b>06.11.2023</b>
TEACHER'S NAME:	<b>Dr Faiza Kiran</b>	DURATION:	<b>90 minutes</b>

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

<b>STUDENT NAME:</b> <input style="width: 90%;" type="text"/>  <b>STUDENT ID:</b> <input style="width: 90%;" type="text"/>	<b>FINAL MARKS</b> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="width: 50%; height: 50px;"></td> <td style="width: 50%; text-align: center; font-size: 24px; font-weight: bold;">20</td> </tr> <tr> <td style="height: 50px;"></td> <td style="text-align: center; font-size: 24px; font-weight: bold;">10</td> </tr> </table>		20		10
	20				
	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)**

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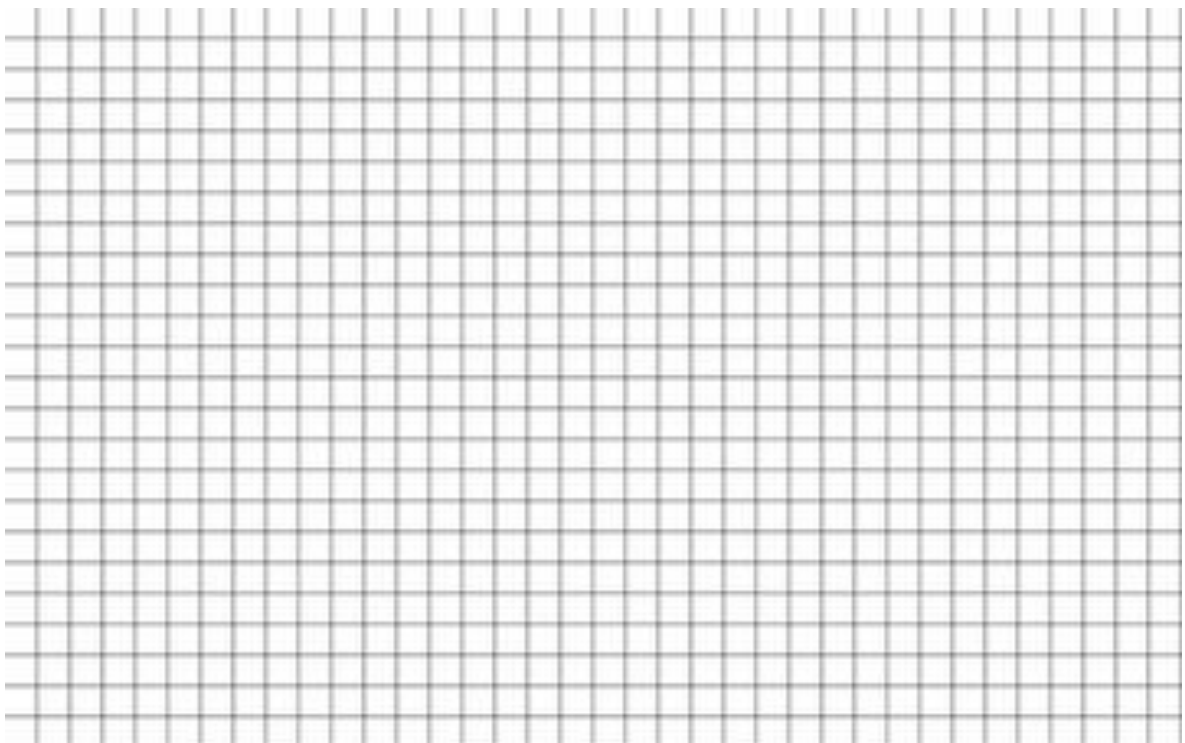


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**Question 2: Explain the concept of law of demand with the help of a table and diagram. (4 marks)**

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:**

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**Factor 2:**

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

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**Question 5: What is the law of supply, and could you offer a real-world example to demonstrate**

**how it works?**

**(2 marks)**

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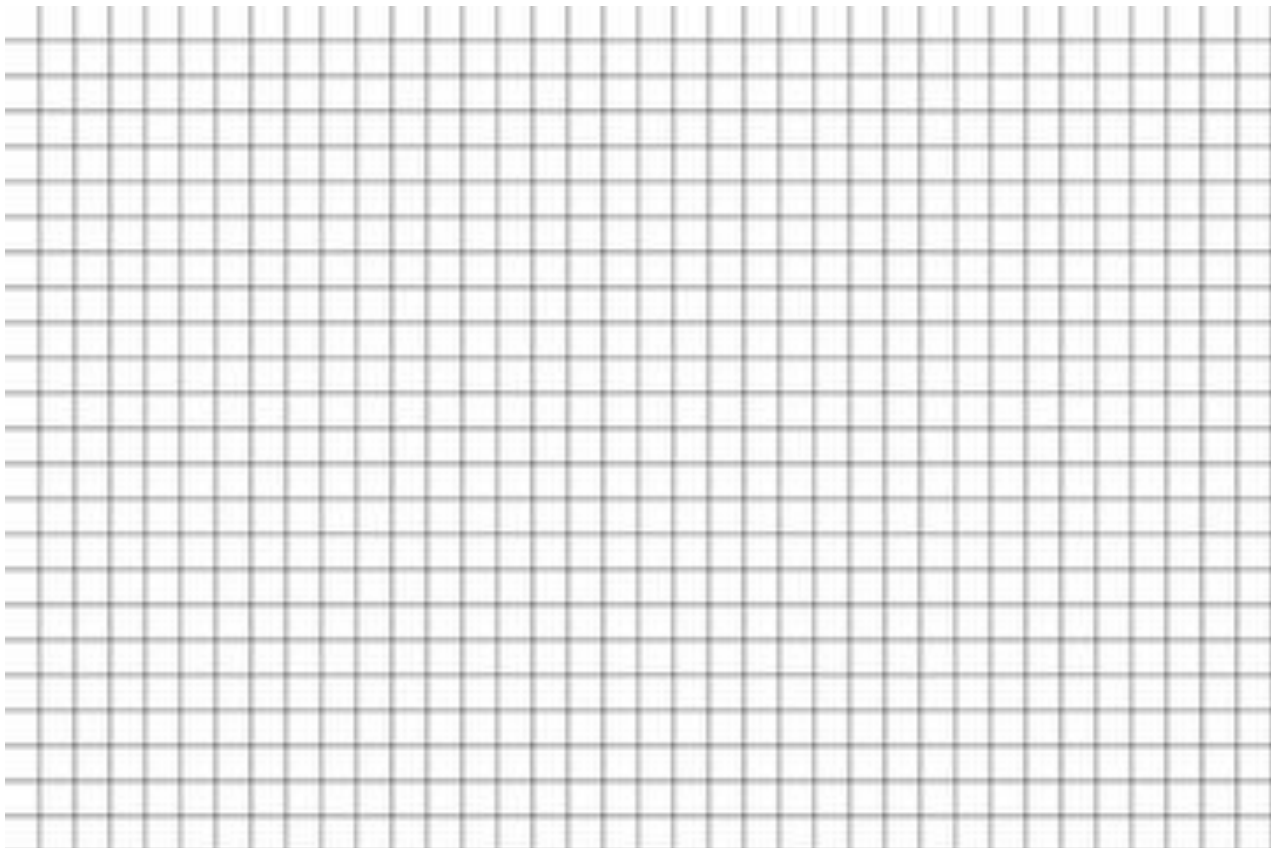
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**Question 6:**

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**

<b>Economic activity</b>	<b>Economic problem</b>	<b>Microeconomics</b>	<b>Factors of Production</b>	<b>Macroeconomics</b>
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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	