

Daffodil International University
Faculty of Business&Entrepreneurship
Department of Business Administration
Program: BBA

Semester: Spring-2025
Time: 90 minutes

Examination: Midterm
Full Marks: 25

Course Code: 0311-212
Course Title: Microeconomics
Teachers' Initial: SKH

1. a. Differentiate between microeconomics and macroeconomics with real life example.
2 [CLO 1, Level 2]
- b. How would you explain the fundamental problems in economics with examples?
3 [CLO 1, Level 2] Suppose a hypothetical country 'Fairyland' can produce either
2. motorbike or car using all its scarce resources. The figures are in units.

Motorbikes	Cars
100	0
80	25
60	45
40	65
20	75
0	85

- a. Plot a well-labeled PPF diagram for 'Fairyland', with *motorbikes* on the Y-Axis, and *cars* on the x-axis.
2 [CLO 2, Level 3]
- b. Briefly describe Production Possibility Frontier with the help of Production Efficiency and Tradeoff.
3 [CLO 2, Level 3]
3. a. Distinguish between movement along the demand curve and shift of the demand curve with example.
3 [CLO 2, Level 3]
- b. Assume that the market for cherries is in equilibrium. Suddenly, the cherry market is subject to a major change. It is found that a group of insects destroyed a significant proportion of the cherry crop over the last week. Using the supply and demand model show and explain the impact of this changes on the equilibrium price and quantity in the cherry market.
2 [CLO 2, Level 3]

4. The table sets out the demand and supply schedule for Greeting Cards on a normal weekend. Identify the following situations:

Price (dollar per card)	Quantity demanded	Quantity supplied
9	200	110
10	150	150
11	120	180
12	100	210

a. Analyze Market equilibrium and disequilibrium in this market.

6 [CLO 3, Level 4]

b. Consider the following equations, calculate the equilibrium price and quantity with a clearly labeled diagram.

4 [CLO 3, Level 4]

$$P = 300 - 2Q_d$$

$$P = 100 + 3Q_s$$