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

Semester: Summer-2026 | **Examination: Midterm**
Time: 90 minutes | **Full Marks: 25**

Course Code: 0311-212
Course Title: Microeconomics
Teachers' Initial: DFM, DSMR, DMSB, SKH

Answer the following questions:

1. 'Economics deals with the relationship between ends and scarce means which have alternative uses' – **Explain** and justify this statement with numerical examples through Production Possibilities Frontier (PPF). 5 [CLO 1, Level 2]

2. A telecommunications company reduces the price of its mobile data packages by 30%. Following the price reduction, smartphone sales increase significantly.
   a. **Analyze** the relationship between smartphone sales and mobile data price. Explain why smartphone demand increased after the reduction in data package prices. How would the demand curve for smartphones be affected by this change? **6 [CLO 3, Level 4]**
   b. **Assume** that the market for wheats is in equilibrium. Suddenly, the wheat market is subject to a major change. It is found that a group of insects destroyed a significant proportion of the wheat 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 this market. **4[CLO 3, Level 4]**

3. Suppose, you are a dealer of computer business. You observe the demand and supply functions for computers are:

$$D = 100,000 - 6P$$

$$S = 2800 + 3P$$

   a. **Identify** the price of computers at which there will be no deficit or surplus of your computers in the market. **5 [CLO 2, Level 3]**
   b. If you want to sell your computer at a price of Taka 12,000 per unit then what will happen to your business, surplus or deficit? Would it be a right decision taken by you? **Apply** appropriate logic to support your decision. **5 [CLO 2, Level 3]**