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

Semester: Fall-2025
Time: 90 minutes

Examination: Midterm
Full Marks: 25

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

1. **Explain** how the concept of opportunity cost influences decision-making for both consumers and producers. A farmer has one hectare of land and must decide whether to grow rice or vegetables. Explain how scarcity, choice, and opportunity cost are interrelated in this situation. **5** [CLO 1, Level 2]

2. Suppose a hypothetical country 'Wonderland' can produce either rice or wheat using all its scarce resources. The figures are in units.

Combination	Rice	Wheat
A	100	0
B	80	25
C	60	45
D	40	65
E	20	75
F	0	85

a. **Plot** a well-labeled PPF diagram for 'Wonderland', with *rice* on the Y-Axis, and *wheat* on the x-axis. **2** [CLO 2, Level 3]

b. What would happen if the country moves from C to D without changing existing technology? If the country adopts a new farming technology that doubles wheat production without affecting the production of rice then how this change would be reflected on the Production Possibility Frontier (PPF)? **3** [CLO 2, Level 3]

3. a. **Construct** and explain a hypothetical demand curve for a product "Mr. Mango" candy using a demand schedule. **3** [CLO 2, Level 3]

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3. The price of the cell phone "Samsung" would decrease from the next January. **Show** its impact on demand curve. **2** [CLO 2, Level 3]

4. The price of medical equipment is increasing rapidly nowadays, as a result its supply is also rising. **Analyze** how several impact factors influence the supply in a competitive market. **5** [CLO 3, Level 4]

5. 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

Analyze Market equilibrium and disequilibrium in this market. **5** [CLO 3, Level 4]