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

Semester: Fall-2025 | **Examination: Final**
Time: 120 minutes | **Full Marks: 40**

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

Answer all the following questions:

1. a. **Justify** why price elasticity of demand is important for business decision-making. Identify the factors determine whether a product is price elastic or inelastic? *(CLO 3, Level 4) [6]*

   b. Monir purchases 95 liters oil per month. But price of oil rises from *$25 to $28* that reduces consumption to 75 liters. **Estimate** the price elasticity of demand for Monir for this price change and **Interpret** your result? *(CLO 3, Level 4) [4]*

2. a. **Explain,** with the help of a diagram, how a consumer reaches equilibrium using a budget line and indifference curve. *(CLO 3, Level 4) [6]*

   b. A consumer spends their entire income on two goods: tea and biscuits. Price of tea increases while the price of biscuits remains unchanged. **Explain** how the budget line changes. (CLO 3, Level 4) **[4]**

3. a. **Analyze** different features of Monopoly market with examples. (CLO 2, Level 3) [6]

   b. **Explain** why a Monopolist has the power to set prices but a perfectly competitive firm does not. (CLO 2, Level 3) **[4]**

4. Write short notes on the following concepts (**Any two**): (CLO 1, Level 2) [10]
   a) Normal goods & Inferior goods.
   b) Types of Elasticity.
   c) Features of Oligopoly.