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

Semester: Fall-2024 **Examination: Midterm**
Time: 90 minutes **Full Marks: 25**

Course Code: 0311-123
Course Title: Microeconomics
Teachers' Initial: DSMR

Answer the following questions:

1. Why is the concept of perfect competition important in economics? Do you think perfectly competitive market exist in the real world? **(5 marks) (CLO1, L2)**

Or

Explain the basic model of circular flow of economy. How it is connected with law of demand and law of supply? **(5 marks) (CLO1, L1)**

2. The table below shows the market demand schedule and supply schedule for pens in Bangladesh.
   a. Show the market demand and supply graphically as per the schedule here.
   b. What is the equilibrium price and equilibrium quantity of pens?
   c. If the price of pen is BDT 20.00 what happens in this market?
   d. If the price of pen is BDT 50.00 what happens in this market?

Price (BDT per unit)	Quantity Demanded (Units)	Quantity Supplied (Units)
10	60	20
20	50	30
30	40	40
40	30	50
50	20	60
60	10	70

(10 marks) (CLO3, L4)

3. "Opportunity cost isn't just about money. It can be time, resources, or anything valuable. Not all opportunity costs can be calculated exactly. Sometimes, the value of the alternative

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is subjective. The goal is to make informed choices, not just to have an accurate number." Do you agree with the statement? Explain your agreement or disagreement with proper examples from different perspectives. **(10 marks) CLO2, L2)**

Or

Why some countries spending so much money on military strength and advanced arms instead of investing in health, education food etc.? Everyone wants peace, but still tend to strengthen their army. How you will explain it from the perspective of opportunity cost in economics? **(10 marks) (CLO2, L1)**