

National University of Computer and Emerging Sciences

Principles of Economics (MG 1006)

Date: September 20, 2024

Course Instructor:

Dr. Mushtaq Ahmed

Mr. Michael Simon

Sessional-I Exam

Total Time: 1 Hour

Total Marks: 50

Total Questions: 03

Semester: Fall-2024

Campus: Karachi

Dept.: Computer Science

Student Name

Roll No

Section

Student Signature

CLO# 1: Understand and apply basic principles of economics

- Q1 (a) Elaborate in detail wage floor...Application and outcomes? (10)
(b) A country's standard of living depends on its ability to produce "Goods and Services". Discuss how? (6)

CLO #1 Understand and apply basic principles of economics

Q2 Classify and write three lines on each of the following into positive and normative economics:

- An increase in inflation temporarily reduces employment (3)
- The government should increase rate of inflation to reduce unemployment (3)
- The government should increase taxes to pay for health care (3)
- An increase in the taxes causes people to work for fewer hours (3)
- If you were the President would you be interested in the positive views or the normative views of the of the Economic Advisors? Why? (4)

CLO#1 Understand and apply basic principles of economics

Q3 (a) Find out the equilibrium price (\$) and equilibrium quantity of the chocolate bars with the (8)

Following demand and supply functions, respectively:

$$Q=1600-300P, Q-1400=700P$$

(b) Consider the following event scientists reveal that consumption of the oranges decrease the risk of diabetes and farmers also strong fertilizers to increase the production in the Orchards. Illustrate and explain the effects of the changes on the equilibrium price and quantity. (10)