**RATHNAVEL SUBRAMANIAM COLLEGE OF ARTS AND SCIENCE, (AUTONOMOUS), SULUR, COIMBATORE – 641 402 POST GRADUATE AND RESEARCH SCHOOL OF COMMERCE**

**SUBJECT: MICRO ECONOMICS DATE: 15th AUG 2023 TOPIC: MICRO ECONOMICS AND MACRO ECONOMICS, THE ROLE OF MARKETS IN ALLOCATING RESOURCES THIRD WEEK: Quiz, Activities (NIL) and Assignments QUIZ – In Google Classroom**

**INDIVIDUAL ACTIVITIES**

Decide, in each case, whether the following are likely to be an aim of a government,

households or firms:

**a** A shorter working week

**b** Many different sellers of consumer goods

**c** Many different sources of raw materials

**d** Higher tax revenue

Discuss how the following questions are answered in a market economic system:

**a** What is produced?

**b** How is output produced?

**c** Who gets the products produced?

**GROUP ACTIVITIES**

In your group, discuss and decide whether the following are microeconomic or

macroeconomic questions:

**a** Why are pilots paid more than cabin crew?

**b** Why is the diamond industry expanding in China?

**c** Why is the output of India greater than the output of Sri Lanka?

**d** Why does Pakistan import more than it exports?

**e** What can be done to reduce road congestion in Paris?

In your group, decide in each case which product would be likely to have the higher price

and why:

**a** the price of a ticket at the football World Cup and a ticket at a local non-league game

**b** gold and rice

**c** the services of a dentist and the services of a cleaner

**ASSIGNMENT QUESTIONS**

1. Define microeconomics.
2. Explain whether decisions in microeconomics involve an opportunity cost.
3. Identify two key resource allocation decisions.
4. Explain the difference between market equilibrium and market disequilibrium.
5. Analyse the functions of the price mechanism.
6. Poland is a former planned economy. It is now a mixed economy and is moving towards a market economy. A range of investment projects are being undertaken in the country including the building of a number of new airports.
   1. Define a mixed economy.
   2. Explain why some countries are moving from a mixed economy to a market economy.
   3. Analyse three causes of market failure.
   4. Discuss whether of not a government or a private sector company should build a new airport.5ppoiuyuuyuyu

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