**RVS COLLEGE OF ARTS AND SCIENCE, (AUTONOMOUS), SULUR, COIMBATORE – 641 402 SCHOOL OF COMMERCE - PG**

**SUBJECT: MICRO ECONOMICS DATE: 14th AUG 2024 TOPIC: MICRO ECONOMICS AND MACRO ECONOMICS, THE ROLE OF MARKETS IN ALLOCATING RESOURCES THIRD WEEK: Quiz, Activities (NIL) and Assignments**

**ASSIGNMENT**

**MISSING WORDS**

1. Any type of economic system has to answer \_\_\_\_\_\_\_\_\_\_\_ key economic questions. One of these is how the products that are made are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. (ANSWER: 3, Distributed).
2. A mixed economy is one in which the allocation of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is determined by both the \_\_\_\_\_\_\_\_\_\_\_\_\_ mechanism and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ intervention. (ANSWER: Resources, Market force, Government).
3. One of the advantagesof a market economy is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ sovereignty. (ANSWER: Consumer).

**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 or not a government or a private sector company should build a new airport.5ppoiuyuuyuyu

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