El Salheya El Gedida University

Faculty of Computers and Information

Academic Year: 2024– 2025, Spring

Course: HM104 Fundamentals of Economics	**Instructor**: Dr. Hisham Said	**Exam:** Med Term
Exam Marks: 20 Marks	**Exam Time**: One Hour	Model **(A)**
ID: …………………..……………..	**Name:** ………………………………………………………………	

Answer all Questions

Question 1: Answer All Questions (10 Marks)

1.1: There is a cost to the resource allocation process called ………..			
(A) Direct cost	(B) Financial cost	(C) Opportunity cost	(D) Indirect cost
1.2: The cost of software production sometimes approaches zero, which increases ………			
(A) Supply	(B) Demand	(C) Equilibrium	(D) Imports
1.3: It is not enough for someone to simply want to buy a certain commodity. Rather, it must be coupled with ………..			
(A) Market equilibrium	(B) Consumer expectations	(C) Tax level	(D) Purchasing power
1.4: ..... is one of the determinants of software industry production.			
(A) Purchasing power	(B) Tax rates	(C) Income distribution	(D) Population
1.5: The higher the ...., the greater the demand for electronic goods.			
(A) Per capita income	(B) Imports	(C) Exports	(D) Volume of subsidies
1.6: When the quantity demanded of a good change by a percentage greater than the percentage increase in its price, then it is a .... elastic good.			
(A) Low	(B) Equivalent	(C) Fluctuating	(D) High
1.7: Freedom to enter and exit markets is one of the conditions of			
(A) Perfect competition	(B) Perfect monopoly	(C) Monopolistic competition	(D) Oligopoly
1.8: Fiscal policy is the procedure followed by the state in achieving certain economic goals using ………			
(A) Interest rate	(B) credit	(C) inflation rate	(D) public spending
1.9: The government uses fiscal policy to combat inflation by reducing public spending.			
(A) True	(B) False		
1.10: An increase in production costs will shift the supply curve to the left.			
(A) True	(B) False		

Write your choices in the following table:

1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	1.10

Question 2(A): (5 Marks)

(1) Explain the objectives of microeconomics.

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(2) State, using the graph, the law of demand.

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Question 2(B): (5 Marks)

Explain how producer equilibrium occurs using marginal costs and in perfect competition. Support your answer with a graph.

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Instructor Signature Dr. Hisham Said ***Good luck***