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UNIVERSITI
TEKNOLOGI
MARA

UNIVERSITI TEKNOLOGI MARA CAWANGAN PERAK
KAMPUS TAPAH

ACCOUNTING OF INFORMATION SYSTEM (AC120)
FACULTY OF ACCOUNTANCY

MICROECONOMICS (ECO162)
AC1201B
TITLE : MICROECONOMICS ISSUE

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ACKNOWLEDGEMNET

First of all , we are really feel grateful that we are manage for finishing this subject of microeconomics within the time that are been given by our lecturer Madam Farrah Dina. This assignment are able to be settled and completed by the effort of our group members and also the co-operation among us . Our effort are worth for all the time that we use for searching the ideas and facts about this assignment.

We would like to thanks our lecturer for giving us the guideline of how to complete this taask. All the advise and guideline that are being given to us are really helpful and sufficient to make us able to complete this task.

We hope that our assignment are complete with a perfection and also with less mistake and also thank you for those who help us to complete this task .

1.0 INTRODUCTION

Economics is the science that studies how humans manage limited economic resources to meet unlimited human needs while microeconomics is the study that analyzes individual economic units which are business firms, households, producers, and consumers from the entire economic activity in solving economic problems. Microeconomics is a branch of economics that focused on the prices of a good, wages in an industry, jobs in an industry and output of a firm or individual industries. In this issue, we will focus on increasing the price of eggs due to the lack of eggs imported from a foreign country.

According to the article, Singaporean suppliers raise egg prices due to a shortage of eggs imported from Malaysia. This is because the country is studying to limit or stop the export of eggs. The move is to ensure a sufficient supply for the domestic market. The rising price of eggs can show that the firm has a shortage of production factors which causes the firm to raise the price of eggs so that the firm can maximize its profit.

This situation will cause buyers to feel burdened with expensive prices because eggs are a basic food daily for all residents. Buyers with low purchasing power will choose other products that are more affordable such as fish and vegetables. This is because when the buyer's income decreases, the buyer's purchasing power will also decrease.

Nevertheless, the increase in the price of eggs is still controlled by the government. If the traders rises the prices too high, the ministry of Malaysia will take action under the price control and Anti-Profiteering Act 2011. The Malaysian government will also study the cessation of exports. This is because they want to maximize the welfare of society by lowering the price of eggs.

2.0 DISCUSSION OF THE ISSUE - THE FACTORS INFLUENCING THE ISSUE AND EFFECTS

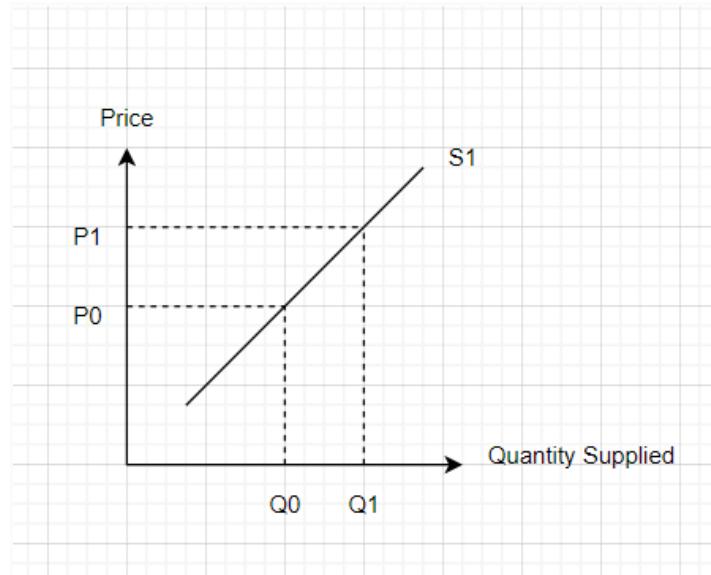
The report claims that a decline in demand has caused egg prices in Singapore to increase as Malaysia tries to limit exports, which has had an effect on egg prices globally. The current spike in egg prices was brought on by Malaysia's limited supply; increases in egg prices are anticipated to last indefinitely.

2.1 FACTORS IN SUPPLY

i. EGG PRICE

Price is one factor that influences the availability of eggs. The law of supply states that as a good's price naturally rises, more of the good is produced; conversely, when a good's price naturally declines, less of the good is produced. In other words, the rule of supply shows that the quantity supplied and, consequently, the price of the items themselves, are positively correlated.

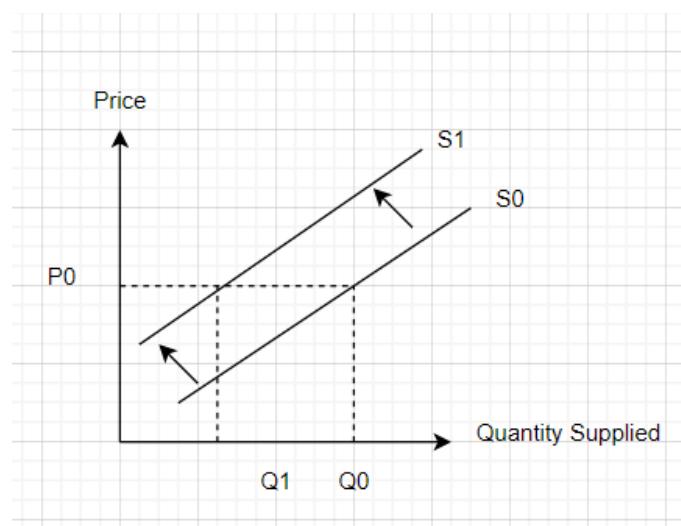
The graph below illustrates how shifts along the supply curve reflects price changes and quantity supplied. For instance, the quantity supplied will increase from Q_0 to Q_1 , while the price of eggs would increase from P_0 to P_1 . Increased supply expansion serves as a measured for supply growth.



ii. PRODUCERS EXPECT THE PRICE OF EGG TO RISE IN THE FUTURE

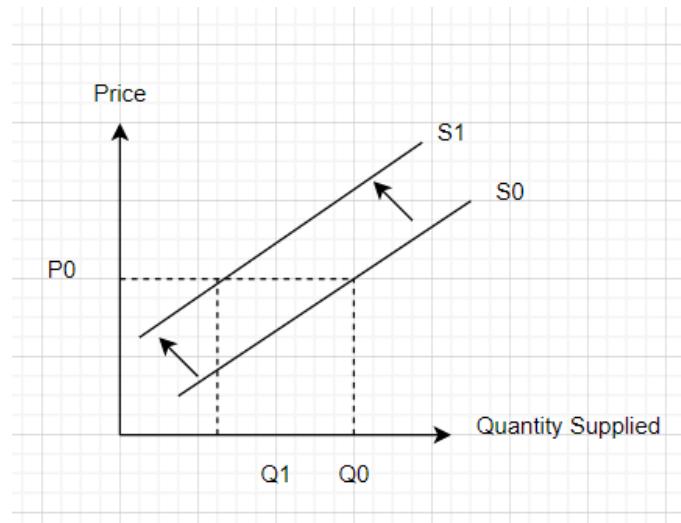
Regarding the value of the items, a number of variables will have an impact on how the supply curve changes. The supply curve may shift to the right or left in the presence of specific circumstances. Future suppliers expect an increase in egg pricing. Suppliers will reduce supply in the present while expecting an increase in price in the future if they expect that the price of eggs will rise in 2023 by producing fewer eggs in 2022. The supply curve will shift to the left since the supply of eggs is decreasing.

The supply curve as a whole shift whole shifts in the graph below, showing what producers expect the price of eggs to be in the future. If suppliers expect an increase in egg prices in the future, they will produce fewer eggs today. As a result, even though the value is still P_0 , the quantity supplied has decreased from Q_0 to Q_1 . As the supply curve moves from S_0 to S_1 , it shifts inward and to the left



iii. NUMBER OF SELLER

An industry's supply is impacted by changes in the quantity supplied at each price and seller. In this case, Malaysia's measures to limit the export of eggs have resulted in fewer suppliers being present in Singapore. There will thus be fewer eggs accessible. The supply curve will turn inward as a result.



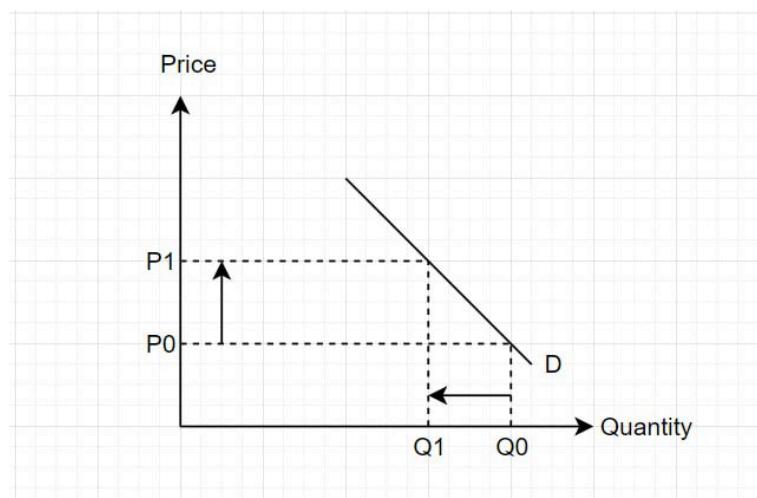
Because P_0 is constant, the amount delivered falls from Q_0 to Q_1 . The supply curve shift to the left from S_0 to S_1 .

FACTORS IN DEMAND

i) EGG PRICE

Factor that influences the egg is the price itself. According to the law of demand, when the price of good increases, the quantity demanded will decrease and when the price of good decreases, the quantity demanded will increase. In ceteris paribus, when P increases, Qd decreases and vice versa. To put it another way, the law of demand demonstrate a negative relationship between the price and quantity demanded.

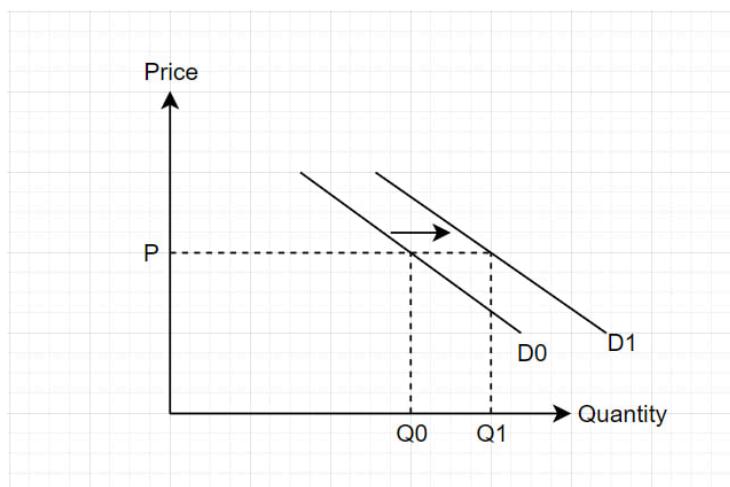
As can be seen in the graph below, a movement along a demand curve in response to a change in price. Based on the article, an increase in the price of eggs due to a lack of imported eggs will cause the quantity of demand decrease. A change in the quantity demanded is caused by a change in the price of the eggs itself.



ii) INDIVIDUAL'S INCOME

An individual's purchasing power depends on the individual's income. If an individual's income increases, then the demand for an item will increase and if an individual's income decreases, then the demand for an item will decrease. In this issue, the buyers that have high incomes will still buy the eggs.

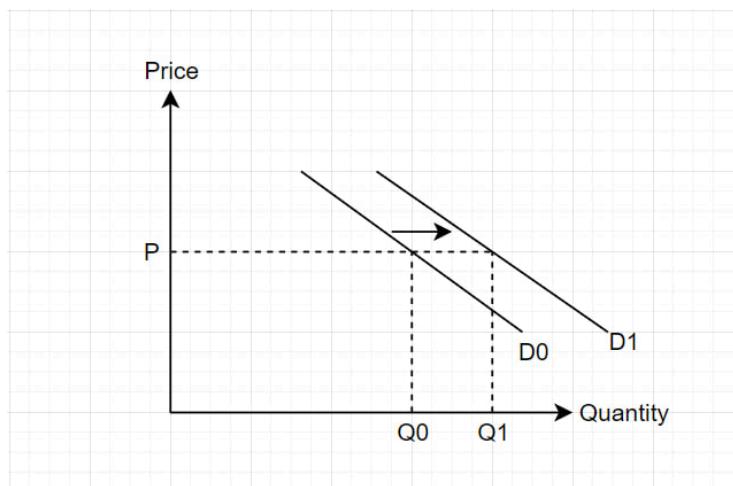
The graph below shows that the demand curve shifts to the right from D₀ to D₁. The price will remain constant at P and the quantity will change from Q₀ to Q₁.



iii) EXPECTATIONS OF EGGS PRICE

The prices will increase anytime soon when there is a shortage of eggs. In other word, if the price of eggs is expected to increase in the future, then the demand for that eggs in the present will increase and vice versa.

Based on the diagram below, change in demand are caused by demand determinants not the prices of eggs. A change in demand will cause the demand curve shift to right D_0 to D_1 but the price will remain constant at P .



3.0 WAYS TO OVERCOME EGGS PRICES FROM INCREASING

Egg prices in Singapore have gone up. Some of the factors may cause this increasing of price as told before , so to overcome this situation some action need to be taken to make sure there is no increasing of eggs price will happen and can reduce the factor of how this situation happen in this time in our country during a long time of period. Egg is a raw materials that have a high demand in the market without rally or any ceremony or event . For example , like what are happening last month , the minister of domestic trade and consumer affairs of Malaysia , Alexander Nanta Linggi have told us that rising costs of operation for poultry breeders have force them to reduce their livestock, causing the disruption in the supply of chicken eggs in the market .So some of this issues are need to be overcome instead of just waiting and importing chicken or eggs from another country .

First thing that can be done is stop exporting our country chicken and eggs to another country since this country also have a problem of it . It where when people started to exporting chicken and eggs but the country at the same time can not fulfill the demand of the consumers and it going to be short supply that make the price increase .If government or some part of people still doing this thing which is exporting eggs then technically they are just supporting another country market and just drop this country market even though it well known that eggs is one of the high demand of the Singapore's market and supply need to be increased to make sure there's a stable economic of it. Exporting eggs to others country also can make dollars falls . If we can conclude all things its can be start with this exporting . Cost of production of eggs also need to be overcome . Some farmers have been said that some of the retailers are not paying the fair price of the eggs as the production costs soar. This make the price will go insanely increase .

Apart from that , government also need to intervene in the market like they need to set the price and go through to control it to make a fair price for consumers. Some of the retailers-when it come to some part of country disease , they will take it as a chances to put the higher price since people really need that things . If this thing are not be taken as a problem then Singapore will always importing eggs from another country such as Malaysia,Australia ,Poland , Spain and also Thailand just because government not going

through in consumers market even though right now we know that all price are insanely going up increasing because of global inflation. Eggs in Singapore reported to be pricen at 3.250 SGD / 10 piece in November 2022. If government can settle down this issue of the increasing price of eggs in Singapore surely the demand of it always can make economic of Singapore in that range increase day by day in order of consumers demand every day of their raw materials things.

Lastly, the government can provide subsidies to the egg supplier and egg importers. As we know, subsidies can help an industry by paying for part of the cost of the production of a good or service. The goal of subsidies is to aid or support what are deemed to be key parts. Government can increase subsidies to company that produce egg in Singapore. By increase subsidies to producer, it may help to increase supply of egg. When there is a lot of egg stock, the price will back to normal price. Then, government can buy eggs from other countries at a lower price. So that, they can give subsidies to us. Government can also import chicken feed with a lower price so that they can sell the egg with a cheaper price because there's no higher cost to livestock the chickens. This is also one of the ways to take care of the welfare of the people. Price increase on the daily food is one of the burdens more again when they sell egg with that increases more than government fixed price and it will affect people who are poor or have money issues. Subsidies have a lot of benefit to people who have issue with money or category B40 so the government want to take the burden for them by giving subsidies but there are people who category as T20 take the chance to buy with lower price.

4.0 CONCLUSION

As a wrap up of all that has been said above, it can be said that eggs play a significant role in our daily life. In Singapore, every family will purchase eggs to consume on a daily basis. Egg prices in Singapore have increased because of the higher cost due to overall rise in global inflation. There are a lot of cost that are being considered, such as the cost of chicken feed, chicken egg from importer and chicken from our local farm. Egg is also a food in that category that irreplaceable, we can't find something that has the same type or taste like egg. When the price increases, people will be mad about it but still buy it. Issue of this price increase makes the buyers feel a burden to them if it happens for a long time. There are some people who have reported about egg stock that being limited in Singapore but a FairPrice spokesman said that this issue is only temporary in Singapore. At the same time, there are issue shortage egg that also happened in Malaysia and Thailand, which are that they are the importer country. Singapore may fluctuate from time to time but the stock for egg still remained stable at the time because supply from the company is consistent but because the stock are limited and that's why the price is more expensive than usual due to high demand. I think if the price is increased, it is okay for us to stop consuming egg for a while because if we know that eating too much of egg, it may cause us cholesterol and it's not even good due to health reasons. There are results showed that everytime this issue happen, the amount of purchase of eggs will decrease.

This issue is trending all over the world and got the attention of everyone because it influences the demand and supply curve. Based on all the diagrams above, we can see that if there is high demand for something, the price will increase right away. If the stock is limited also will be one of the causes that egg price increases two times than the government fixed price.