

NMIMS Centre for Distance and Online Education (NCDOE)

Course: Micro Economics & Macro Economics

Internal Assignment Applicable for Dec 2024 Examination

Assignment Marks: 20

Instructions

- All Questions carry equal marks
- All Questions are compulsory
- All answers to be explained in not more than 1000 words for question Q1 and for question Q2(A) and Q2(B) in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible
- All answers to be written individually. Discussion and group work is not advisable.
- Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.
- Students should write the assignment in their own words. Copying of assignments from other students is not allowed
- Students should follow the following parameter for answering the assignment questions

For Theoretical Answer	
Assessment Parameter	Weightage
Introduction	20%
Concepts and Application related to the question	60%
Conclusion	20%

For Numerical Answer	
Assessment Parameter	Weightage
Understanding and usage of the formula	20%
Procedure / Steps	60%
Correct Answer & Interpretation	20%

PLEASE NOTE: This assignment is application based, you have to apply what you have learnt in this subject into real life scenario. You will find most of the information through internet search and the remaining from your common sense. None of the answers appear directly in the textbook chapters but are based on the content in the chapter

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Q1 The COVID-19 pandemic of 2020 caused significant disruptions to international business operations because numerous firms relied on suppliers from different nations, notably China. Many companies used lean production method and kept low inventories in order to cut costs. However, this made them susceptible to supply chain interruptions. For instance, worldwide supply lines for electronics, including parts for laptops and cell phones, were impacted when lockdowns forced Chinese facilities to close. The fact that a large portion of auto parts were made in China presented difficulties for auto makers as well, resulting in major global production halts. What impact would the COVID-19 worldwide lockdowns have on Europe's supply curves for consumer electronics and auto factories? Explain your observations about the aforementioned scenario, emphasizing the supply side and the shift in the supply curve.(Note : You can make assumptions as per the requirement of the case)

(10 Marks)

Q2 (A) The London "black cab" taxis are amongst some of the expensive in the world. They compete to some extent with minicabs, which tend to be cheaper. However, minicabs are not allowed to pick up customers off the street, they have to be booked in advance, and their drivers do not have to memorize a London street map. minicabs operate in a more competitive market and require less of the drivers. Black cab(licensed) cab drivers must pass a background check and medical test and pay fees over 200 pounds. This may help to ensure that passengers are safe and drivers are accountable, but it also means that they have a monopoly on picking up people on the streets? Elaborate on the given market structure (Black cabs and Minicabs) and discuss the Implications for Markets with High Barriers to Entry.

(5 Marks)

Q2 (B) The two main industries driving Zamiland's economy are manufacturing and agriculture. The government aims to optimize production in both areas, given its limited financial resources and workforce of ten thousand individuals. In order to improve economic well-being, a balance between agricultural produce and manufactured items is desired. Based on resource allocation, the Zamiland PPC shows different production

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combinations for manufactured items and agricultural goods.

The PPC for Zamiland illustrates various production combinations for agricultural goods and manufactured products based on resource allocation.

Production Combinations (Hypothetical Table)

Production Combination	Agricultural Goods (Units)	Manufactured Products (Units)
Point A	500	0
Point B	400	50
Point C	300	80
Point D	200	100
Point E	100	120
Point F	0	140

Explain the concept of Production Possibility Curve and the scarcity in Zamiland that is reflected in the production possibility curve in the given scenario. You are also required to, share your views on the implications of operating inside the production possibility curve in Zamiland and what does it suggest about resource utilization?

(5 Marks)
