স্কুল অব বিজনেস

Bangladesh Open University
BBA Program
Semester: 212 (2nd Level)

Course Title: Microeconomics   **Due on: November 17, 2023**

(Assignment is to be presented in own handwriting on A4 size white pages)

Note : Answer all the questions and submit to the coordinator of your tutorial center on or before due date.

1. Assignments must be submitted on A4 size paper in own hand writing. *2. Completed cover must be used on the top of each assignment as per the specimen cover page in the Semester Calendar)* *3. Assignments must be submitted to the **coordinator** of the study center you are attached with.* *4. Spiral binding must be avoided. Instead, transparent folder or file cover or any other soft binding may be used.* 5. Contact e-mail address & Cell Phone and Land Phone numbers must be written on the cover page clearly. If your e-mail address is not yet added to our e-mail list, please send a mail to the coordinator of your study center with subject "Add Me". 6. In the case of delayed submission, the School will not acknowledge the submission of the assignment(s) and will not be responsible for any damage or loss of the assignment(s). 7. If it is noticed that your assignment is copied from another student's assignment, your assignment will be cancelled automatically.	Assignment & Class Performance Marks distribution **Assignment -1** } **10** Assignment -2 } 10

1.1.   What are the fundamental questions in an economy? How the fundamental economic questions are solved in alternative economic systems? Explain.

1.2.   Why do we need to make choice in our daily life? How does choice making is liable for creating opportunity cost for you? Give examples from your own context.

1.3.   Mention 3 shift factors of PPF. Suppose, American and Japanese workers can each produce 4 cars a year. An American worker can produce 20 tons of paddy a year, whereas a Japanese worker can produce 5 tons of paddy a year. Assume that each country has 100 million workers. (i) Graph the PPF of American economy, (ii) for the United States, what is the opportunity cost of a car?

1.4.   Explain the law of demand and the law of supply. Show in the graphs why and how the demand and supply curve shifts.

1.5.   What do understand by the term market? How can the withdrawal of subsidy on fertilizer influence the market of rice? Explain with examples. Use graphs.

1.6.   What is the market clearing price? How it is derived? Show in graphs. Suppose, demand function for and supply function of rice are $Q_D = 40 - 2P$ and $Q_S = 20 + 3P$ respectively.

    a.   Calculate the market clearing price and quantity of rice.
    b.   If govt. withdraws subsidy on fertilizer, what will happen to the market of rice remaining all other things same.

1.7.   Why is land price increasing in Dhaka City day by day? Explain it by using the demand and supply curves of land.

1.8. Explain the relationship between *total utility* and *marginal utility*. Describe the *Law of Diminishing Marginal Utility*. In the case of which of the following commodities the law doesn't work: Mongo, Sweets, Sugar, Money, Rice, Wealth, and Ornament.

1.9. Record 2 videos as per the following instructions and upload them into your YouTube channel and share the LINK and QR code on the assignment:

    1.9.1. 5 minute-video on the supply for ride sharing services in Bangladesh.
    1.9.2. 5 minute-video on the impact of online shopping on the demand for consumer goods in Bangladesh.

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Course Title: Microeconomics   **Due on: December 22, 2023**

(Assignment is to be presented in own handwriting on A4 size white pages)

Note : Answer all the questions and submit to the coordinator of your tutorial center on or before due date.

1. Assignments must be submitted on A4 size paper in own hand writing. *2. Completed cover must be used on the top of each assignment as per the specimen cover page in the Semester Calendar)* *3. Assignments must be submitted to the **coordinator** of the study center you are attached with.* *4. Spiral binding must be avoided. Instead, transparent folder or file cover or any other soft binding may be used.* *5. Contact e-mail address & Cell Phone and Land Phone numbers must be written on the cover page clearly. If your e-mail address is not yet added to our e-mail list, please send a mail to the coordinator of your study center with subject "Add Me".* *6. In the case of delayed submission, the School will not acknowledge the submission of the assignment(s) and will not be responsible for any damage or loss of the assignment(s).* *7. If it is noticed that your assignment is copied from another student's assignment, your assignment will be cancelled automatically.*	Assignment & Class Performance Marks distribution Assignment -1 } 10 **Assignment -2** } 10

2.1.   What is price elasticity of demand? Mention the determinants of price elasticity of demand. Suppose, the cross elasticity of demand for beef with respect to chicken is E= +1.5. (i) If price of chicken is increased by 40%, what will happen to the demand for beef? (ii) What kind of relationship exists between beef and chicken in this case?

2.2.   What is economic cost? Calculate the economic cost of a meal prepared at your home.

2.3.   The details of the production activity of a farm are as below:

	Name of the Inputs	Quantity of inputs required	Price of input	Ownership of input
Product: Rice Output: 300Kg Interest: rate=15%	Land	500 Decimals	Tk. 10/Decimal	Family
	Labor	20 Mandays	Tk. 300/Manday	Family
	Seed	50 Kg	Tk. 15/Kg	Market
	Fertilizer (Chemical)	20Kg	Tk. 30/Kg	Market
	Irrigation	3 Months	Tk. 500/Month	Market
	Ploughing	Tractor	Tk100/100 Decimal	Market
	Cowdung	100kg	Tk. 20/10Kg	Family
	Insecticide	3 Litres	Tk. 200/Litre	Market
	Entrepreneurship	1	Tk. 5000 (Opportunity cost)	

Find – i) Accounting cost ii) Economic cost

2.4. Define MC, AC, AVC and AFC. Identify TVC, MC, AC, AFC, AVC from the following data:

Quantity (Q)	Total cost (TC)	Total Fixed cost (TFC)	Total Variable cost (TVC)	Marginal cost (MC)	Average cost (AC)	Average Fixed cost (AFC)	Average Variable Cost (AVC)
1	1000	300	y				
2	1400	300					
3	1575	300					
4	1600	300					
5	2200	300					

2.5. What is long run cost? Why is the long run average cost curve U-shaped? What point on the long run average curve shows the optimal size of a firm? Show graphically.

2.6. Explain the laws of returns to variable proportions and the laws of the returns to scale. Give 2 examples of the production functions under each of the following scales:
Increasing returns to scale, Decreasing returns to scale, constant returns to scale

2.7. Explain the law of diminishing marginal productivity of input. Is it a short-run or long-run concept?

2.8. Describe the characteristics of perfectly competitive market structure? Can a firm in perfectly competitive market continue production even it incurs loss? Explain with diagrams.

2.9. Graphically explain how a firm in a monopolistically competitive market reaches its short-run equilibrium? Why the price in monopolistically competitive market is higher than that in perfectly competitive market? Explain with graphs.

▶ YouTube

1.10. Record 1 video as per the following instructions and upload them into your YouTube channel and share the LINK and QR code on the assignment:

1.10.1. 5 minute-video on the market structure of the agricultural products in Bangladesh.