

Bangladesh Open University

BBA Program

Semester: 212 (2nd Level)

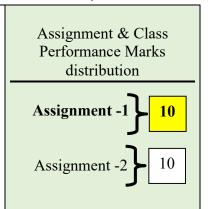
Course Title: Microeconomics Due on: November 17, 2023

(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.



- 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.

YouTube

- 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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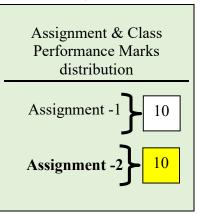
BBA Program
Semester: 212 (2nd Level)

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.
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- 3. Assignments must be submitted to the **coordinator** of the study center you are attached with.
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- 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	Land	500 Decimals	Tk. 10/Decimal	Family
	Labor	20 Mandays Tk. 300/Manday		Family
	Seed	50 Kg	Tk. 15/Kg	Market
Output: 300Kg	Fertilizer (Chemical)	20Kg	Tk. 30/Kg	Market
Interest: rate=15%	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	Total	Total	Total	Marginal	Average	Average	Average
(Q)	cost	Fixed cost	Variable	cost	cost	Fixed cost	Variable Cost
	(TC)	(TFC)	cost (TVC)	(MC)	(AC)	(AFC)	(AVC)
1	1000	300	у				
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.