


Course No: BUS1303
Course Title: Microeconomics
Date: 02/01/2012
No. of Questions: (4)
Time: 2hours
Using Calculator (No)

University of Palestine

Final Exam
2011/2012
Total Grade:

Instructor Name: _____
Student No.: _____
Student Name: _____
College Name: _____
Dep. / Specialist: _____
Using Dictionary (No)

Answer the following questions:

Question One: (15marks)

Define ten of the following concepts by using a suitable explanation:

- | | |
|----------------------|--------------------------|
| 1.Short run | 8.zero profit point |
| 2.total utility | 9.shutdown point |
| 3.Marginal utility | 10.the firm |
| 4.average fixed cost | 11.the industry (market) |
| 5.average variable | 12.tatal cost |
| 6.average tatal | 13.fixed cost |
| 7.Marginal cost | 14.long run |

Question Two: (10marks)

Put true or false on the following statements:

- | | |
|---|-----|
| 1.the marginal utility always decreases | () |
| 2.when the total utility reaches to highest point,the marginal utility equals zero. | () |
| 3.if $p > ATC$ the firm achieves an economic profit. | () |
| 4.if $P = AVC$ the loss equal (FC) | () |
| 5.if $MP > AP$ then AP increases. | () |
| 6.if $TC = 150$, and $Q^* = 50$ then $ATC = 15$ | () |
| 7.when (TR) reaches to the highest point, (AR) equals zero. | () |
| 8.when $Mc > ATC$ then ATC fall. | () |
| 9.the firm is a price maker in the short run | () |
| 10.if $TR > TC$ then the economic profit = zero | () |

Question Three: (9marks)

Explain briefly three points only with drawing:

1. The relation between the marginal utility (MU) and total utility (TU).
2. The relation between the marginal production (mp) and average production (AP).
3. The relation between the marginal cost (MC) and average total cost (ATC).
4. The relation between the marginal production (MP) and the marginal cost (MC).

Question Four: (6marks)

Explain the following (two points only):

1. The conditions of pure competition .
2. When $p > ATC$, what dose the firm achieve with drawing.
3. When $P < ATC$, what does the firm achieve with drawing.

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Question Five: (20marks)

Firm produces in a pure competition and has the following data.

II profit	MC Marginal	TC Total cost	VC Variable cost	FC Fixed cost	TR Total revenue	P price	Q Quantity
		40					0
		60				50	1
		70				50	2
		95				50	3
		130				50	4
		180				50	5

Find out the following :

1. Complete the table .
2. The quantity equilibruim when the firm faces the price =50
3. The profit when the price=50
4. The kind of this profit.

End of Questions

Good Luck