

Boot-Camp Assessment [Paper 3]		Sub-section (B)	
Issued On:	8 th July 2021	Exam Year [Batch]	2022
Deadline:	12 th July 2021	Format	Virtual
Marks : Time	50 marks : 1 ¼ Hour	Units - Essentials Covered	1 – 4

Question [01]

(A) Briefly describe what is meant by '**Factor Productivity**' and **State** the **Determinants** of **labour** productivity

[06 marks]

(B) State 'four' main **characteristics** each of '**Property Resources**' used within the production processes

[04 marks]

Question [02]

(A) Construct a production possibilities curves (PPC) for a country facing **increasing opportunity costs** and show how the following events can be represented in a PPC framework (*use separate PPCs*).

- (a) A large number of skilled workers migrating to other countries.
- (b) A recession
- (c) A new and better fertilizer is invented
- (d) Economic growth

(04 marks)

(B) **Examine** the main **shortcomings** of **price mechanism** as a means of allocating resources

(04 marks)

(C) Briefly outline how a '**market**' and a '**command**' economic systems solve the '**allocation problem**'

(02 marks)

Question [03]

- (A) **Distinguish** between '**Quantity demanded**' and '**Demand**'
(B) **Briefly distinguish** between '**Substitute**' and '**Complementary**' goods, as discussed in demand analysis
(04 marks each)
- (C) **State 'four' reasons causing a rightwards shift** of a given **consumer durable product's** market supply curve
(02 marks)

Question [04]

- (A) **Discuss** the relationship between **Price Elasticity of Supply** and **linear supply equation** using **supply curves**
(03 marks)
- (B) Some of the data relevant for market demand and supply are given below:

Price (Rs)	Quantity Demanded (Qd)	Quantity Supplied (Qs)
4.00	84	12
8.00	68	44

- (I) Assuming that both demand and supply curves are linear, estimate the **equilibrium price** and **quantity** by derive the **equations** for market demand and supply functions
[04 marks]
- (II) Assuming that the government imposes a specific tax of Rs. 3 per unit and compute the price received by the producer after the tax and the tax revenue of the government.
[03 marks]

Question [05]

- (A) What is the law of diminishing returns, and what does it imply about the likely shape of short run cost curves
- (B) **Distinguish** between '**Price Taking**' and '**Price Making**' behaviour
(04 marks each)
- (C) **Explain** what is meant by the term '**barriers to entry**' (02 marks)