



JUBAIL UNIVERSITY COLLEGE
DEPARTMENT OF BUSINESS ADMINISTRATION
ASSIGNMENT 1
SEMESTER- 332 (2013)

Course Code	BUS 151	Course Title	MICROECONOMICS
Date	March 1st, 2013	Deadline	March 6 th , 2013

Notes: please meet the deadline
No more than 3 students in each Assignment and no less than 2

PART I	TO BE FILLED BY THE STUDENT		
STUDENT'S NAME		ID. No.	
STUDENT'S NAME		ID. No.	
STUDENT'S NAME		ID. No.	
Section #:			

PART II		TO BE FILLED BY THE TEACHER		
Question No.	Maximum Marks	Actual Marks	Marked By	
			Name	Signature
1			Ms. Anwar Al-Shehri	
2				
3				
Total	10			

Q1:

Three individuals' demand schedules for a good "Black Shoes" are shown in the table below. Assume these are the only individuals in the society.

Noor		r	Amal		Ali	
Price	Q _d		Price	Q _d	Price	Q _d
\$14	1		\$14	0	\$14	0
13	2		13	0	13	1
12	3		12	0	12	2
11	4		11	1	11	3
10	5		10	2	10	4
9	6		9	3	9	5
8	7		8	4	8	6
7	8		7	5	7	7

- a. Draw the Demand curve for the market

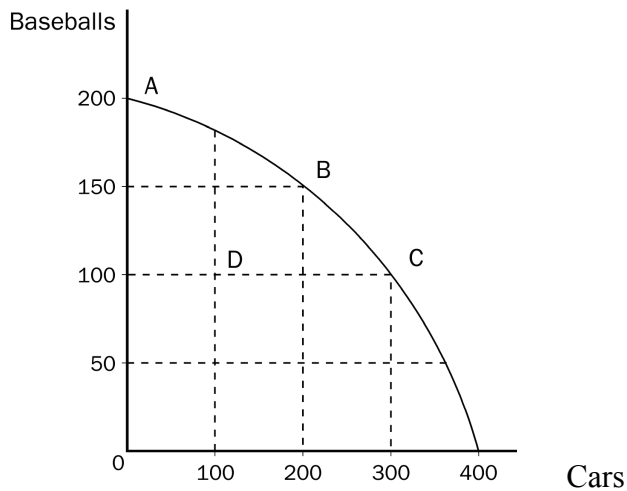
b. What is the total quantity demanded at a price of \$13? What is the total quantity demanded at a price of \$11?

c. What will happen to the demand curve if the income of these individuals increased?

d. What will happen to the demand curve if the "Blue Shoes" becomes a trend?

Q2: According to the below diagram, answer the following:

Figure 2-6



a) what is the name of this diagram? _____

b) Illustrate the concept of opportunity cost using this diagram

c) **Refer to Figure 2-6.** What is the opportunity cost to society of the movement from point A to point C?

d) **Refer to Figure 2-6.** If this economy put all available resources into the production of cars, it could produce _____ cars and _____ baseballs.

e) **Refer to Figure 2-6.** If this economy put one-half of its available resources into the production of baseballs and the other half into the production of cars, show on the diagram at what point the economy would be operating at.

Q3: Draw a circular flow diagram. Identify the parts of the model that corresponds to the flow of goods and the flow of dollars for each of the following activities.

a) Maria purchases a new dress for 300 riyals

b) Ahmad's shop pays 1000 riyals for the rent on the shop.

c) Rana spends 15 riyals for a pizza

d) Areej earns 20 riyals per hour working in a company
