

***MAZOON COLLEGE***

**Individual Home Assignment**

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| Course Code | Course Name | Assignment given on |
| ECO 121 | Principles of Microeconomics | June 20, 2020 |
| Date of Submission | Instructor Name | Semester |
| July 16, 2020 | Dr. Dr.Zaheer | Summer 2020 |

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| --- | --- |
| **Student ID** | **Student Name** |
|  |  |

***Turnitin ID:*** ***25246293 Enrolment Key: ECO121***

**Learning outcomes to be covered by this assignment:**

1. Helps to develop and use economic models based on the micro economic decisions.
2. Understand the costs of production and how profit-maximizing firms determine how much to produce.
3. Be able to distinguish between long-run decisions and short-run decisions. Distinguish between perfect competition and imperfect competition

**Assessment Summary: Weight: 15 % of total assessment**

|  |  |  |  |
| --- | --- | --- | --- |
| **TASK** | **Max. Marks** | **Marks Obtained** | **Comments** |
| 1 | 6 |  |  |
| 2 | 6 |  |  |
| 3 | 6 |  |  |
| 4 | 6 |  |  |
| 5 | 6 |  |  |
| ***Total Marks(in figures)*** | |  | *Out of 15=* |
| ***Total Marks(in words)*** | |  | |
| ***Evaluator’s Signature*** | | |  |

*S****ubmission Instructions***

* *Use A4 size paper, Times New Roman 12 font size with single line spacing in text.*
* *Use first page of assignment as cover page to submit your work*
* *Submit soft copy of assignment through college portal and hard copy as per instructions of the course instructor.*
* *Late submission is subjected to maximum deduction of 01 mark per delayed day*
* *Plagiarized work shall not be considered to award any marks*
* *Similarity ratio more than 20% marks as 0.*

***Scope of the Assignment***

*Example: This assignments cover key learning outcomes of the course. The assignment provides the opportunity of hands on application of concepts learned in the chapters. The assignment aims to help in developing independent learning skills. Students are expected to work and use online /library resources to complete the assignment.*

***Plagiarism Policy***

*Plagiarism includes, and not limited to, submitting a report/presentation/ dissertation/ term paper/research paper or any other work to be graded which includes the production of other author(s) without properly acknowledging the original author(s) of the work, or use the work of other person (paid or un paid) and submitting it to be its own work to claim grades or any other credit. The college is using a text matching detection software, text similarity above 20% is not acceptable and deemed plagiarism.*

*Please check with your course instructor for further orientation and information about plagiarism practice avoidance.*

**Assignment Tasks:**

**1. Suppose the market for the Toyota Yaris in a certain area has the following demand and supply curves: QD = 1390 - 30 P and QS = - 450 + 50 P where price is for a single Prius (in thousands of dollars) and quantity is in thousands of cars sold.** *[3+3=6 marks]*

1. What is the equilibrium price and quantity of Prius' in this market?
2. Is there a surplus or shortage in this market if the price is initially $20000? How large is the surplus or shortage? Show this situation graphically. Explain how the market would move from this price to the equilibrium price.

2. **Use supply and demand analysis to determine the effect on the market for each event below. Illustrate each situation graphically and indicate explicitly what happens to price and quantity in each case.** *[1+1+1+2=6 marks]*

* 1. Suppose food services at Oman decides to reduce the price of coffee products sold. How would that affect the market for the Starbucks at the corner of Grand Mall?
  2. Due to COVID 19 consumer prefer to order home delivery of food. How would this impact on prices of home delivery services.
  3. Many people lost jobs and they travel out of the country. How this would impact the demand and supply of home rental market.
  4. How does increase in electric cars will impact on demand curve of patrol?
  5. Explain how market equilibrium changes when there is an increase only in the demand.

**3. The following table givens the schedule for TP of labor. Find out corresponding AP and MP**. *[6 marks]*

Explain difference between returns to a factor and returns to scale in tabular form on basis of any six differences.

|  |  |  |  |
| --- | --- | --- | --- |
| Labor | Total Product | Average Product | Marginal Product |
| 1 | 8 |  |  |
| 2 | 20 |  |  |
| 3 | 24 |  |  |
| 4 | 24 |  |  |
| 5 | 20 |  |  |

**4. Calculate Total Fixed Cost, Total Variable Cost Average Total Cost, Average Fixed Cost, Average Variable Cost and Marginal Cost.** *[6 marks]*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Output | TC | TFC | TVC | ATC | AFC | AVC | MC |
| 0 | 60 |  |  |  |  |  |  |
| 1 | 80 |  |  |  |  |  |  |
| 2 | 100 |  |  |  |  |  |  |
| 3 | 111 |  |  |  |  |  |  |
| 4 | 116 |  |  |  |  |  |  |
| 5 | 130 |  |  |  |  |  |  |
| 6 | 150 |  |  |  |  |  |  |

**5. Write an essay to explain perfect competition and how price and output is determined during perfect competition?** *(Length of essay should be between 300-400 words providing suitable examples and graphic illustrations) [6 marks]*

**Assessment Criterion**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Criterion**  **Score 0 if element is** *(60 to 70%)* | **Below Expectations**  *(70 to 80%)* | | **Meets Expectations**  *(80 to 90%)* | | **Exceeds Expectations**  *(90% and above)* | |
| * *Majority of the topics covered.* * *Assignment does not cover the requirements (irrelevant approach, significant errors in write up, improper order of explanations).* * *Referencing is not proper.* * *Some of potential citations are missing or not verifiable.* * *Errors in graphic illustrations* * *Recommended format not maintained* | | * *Provides typical description, failed to link to a concept taught in the course, few errors in write up.* * *Some potential references are missing.* * *Concept is clear but poor illustration* * *Recommended format not maintained* | | * *Clarity of the description, answers are logically organized.* * *Some points remain misplaced and abandoned from the topic, acknowledgments cited(where necessary)* * *Good illustration* * *Recommended format maintained* | | * *Answers are coherent and logically organized.* * *Demonstrates the understanding of subject* * *Link ideas and paragraphs to create consistency overall excellent explanation with proper citation and referencing.* * *Excellent illustration* * *Recommended format maintained* |