

**International Islamic University Chittagong**  
**Department of Electronics and Telecommunication Engineering**

**Mid-term Examination, Spring-2022**  
 Course Code: ECON 3501  
 Duration : 1.5 Hour

Program: B.Sc. Engg. (ETE)  
 Course Title: Principle of Economics  
 Full Marks: 30

[Answer each of the questions from the followings; Figures in the right margin indicate full marks.]

Q. No.	Question			
1(a).	“Economics enquires into the nature and causes of wealth of nations”. How can you agree with these statements? Explain with your real life example.	CO2	U	5
1(b).	Draw a detail circular flow model of economic activity that shows the basic relationships between two vital factor of economy.	CO2	C	5
2(a).	The demand function of two commodities A and B are $D_A = (\text{Last two digit of your student ID}) - P_A - 2P_B$ , $D_B = 6 - P_A - P_B$ and the corresponding supply functions are $S_A = -3 + P_A + P_B$ , $S_B = -2 + P_B$ , Where $P_A$ and $P_B$ denote the prices of A and B respectively. Find i. The equilibrium prices, and ii. The equilibrium quantities exchanged in the market.	CO2	U,R	5
2(b).	Draw a demand curve from demand function $Q_d = (\text{Last two digit of your student ID}) - 2p$ .	CO2	E	5
3(a).	If the price of MacDonald's Cheeseburgers increases, we would expect the demand for Coca-Cola to decrease, Give reasons in support of your answer.	CO1	E	5
3(b).	If the supply curve shifts left and there is also an increase in demand what happens to equilibrium price and quantity?	CO1	E	5
	Or,			
3(a).	Write short notes on a) Macroeconomics vs microeconomics. b) Positives economics vs normative economics. c) Should higher education to be free? d) Economic welfare.	CO1	E	10