



College of Administrative and Financial Sciences

Deadline: End of Week 3 (23/7/2022)

Assignment 1

Course Name: Microeconomics	Student's Name:
Course Code: ECON201	Student's ID Number:
Semester: Summer	CRN:
Academic Year: 1442/1443 H	

For Instructor's Use only

Instructor's Name:	
Students' Grade: / 15	Level of Marks: High/Middle/Low

Instructions – PLEASE READ THEM CAREFULLY

- ❖ This assignment is an individual assignment.
- ❖ **The due date for Assignment 1 is by the end of Week 3 (23/7/2022).**
- ❖ The Assignment must be submitted only in **WORD format** via the allocated folder.
- ❖ Assignments submitted through email will not be accepted.
- ❖ Students are advised to make their work clear and well presented. This also includes filling in your information on the cover page.
- ❖ Students must mention question numbers clearly in their answers.
- ❖ Late submitted assignments will **NOT** be entertained.
- ❖ Avoid plagiarism; the work should be in your own words; copying from students or other resources without proper referencing will result in **ZERO** marks. No exceptions.

- ❖ All answered must be typed using **Times New Roman (size 12, double-spaced)** font. No pictures containing text will be accepted and will be considered plagiarism).

Submissions without this cover page will NOT be accepted.

Assignment Questions:

(Marks: 15)

Q1. Compute the percentage changes for the following (*enter your responses as integers*):
(3 Marks) [Ch. 1]

Initial Value	New Value	Percentage Change
100	112	
50	54.0	
10	12.5	

Q2. Maps are a good non-economic example of using assumptions to make things simpler. Which of the following are assumptions used to make maps useful?
(2 Marks) [Ch. 1]

Q3. Consider a student studying for a biology exam. Would you expect study time to be subject to diminishing returns? Suppose productivity is measured as the anticipated increase in the exam score. Construct a numerical example in which the first hour is twice as productive as the second hour, which is twice as productive as the third hour, and so on up to five hours of study. (2 Marks) [Ch. 2]

Q4. If the florist below shows the marginal benefit that a florist earns from keeping his store open one more hour. The florist has a marginal cost of &70 per hour. For the last five weeks he has stayed open 24 hours.

Hours	Marginal Benefit per Hour
18	100
19	80
20	70
21	60
22	30
23	20
24	10

a. Do you think the florist’s decision to stay open 24 hours is optimal? Why?
(1.5 Marks) [Ch. 2]

b. How many hours do you advise him to stay open? Why? **(1.5 Marks)** [Ch. 2]

Q5. If the demand and supply curves for boxes are: $D = 100 - 8P$ and $S = 22 + 4P$, where P is the price of boxes.

a. Does the law of supply apply for the market of boxes? Why? **(3 Marks)**

b. Calculate the equilibrium quantity and price? **(2 Marks)**

[Ch. 3]