

INSTRUCTION: Answer **ALL** questions.

Question 1 (20 marks)

- a) The table below shows the production possibilities for a country that produces two types of goods.

Combination	Good A	Good B
A	0	30
B	4	28
C	8	24
D	12	18
E	16	10
F	20	0

Sketch the production possibilities curve based on the table above. [8 marks]

- b) The table below shows the price, quantity demanded, and quantity supplied for rice.

Price (RM)	Quantity demanded (unit)	Quantity supplied (unit)
6.00	22	14
8.00	20	16
10.00	18	18
12.00	16	20

- (i) What is the equilibrium price and quantity? [4 marks]
- (ii) Calculate the price elasticity of demand when the price of rice increases from RM6.00 to RM8.00. [4 marks]
- (iii) Calculate the price elasticity of supply when the price of rice increases from RM8.00 to RM10.00. [4 marks]

Question 2 (20 marks)

- a) Briefly explain the law of demand. [6 marks]
- b) There are some determinants that can affect the change in supply other than the price of the good itself.
- (i) Sketch the supply curve that shows the impact when there is an increase in supply. [6 marks]
- (ii) Describe **TWO (2)** determinants that can influence the supply. [8 marks]

Question 3 (20 marks)

- a) State any **TWO (2)** major goals of macroeconomy. [4 marks]
- b) The table below shows the national income data for an economy.

Details	RM million
Gross Domestic Product market price (GDPMP)	10 590
Factor income paid to abroad	6 250
Factor income received from abroad	4 389
Indirect tax	1 200
Depreciation	2 870
Subsidy	2 652

Based on the table above, calculate:

- (i) net foreign factor income. [4 marks]
- (ii) Gross National Product market price. [4 marks]
- (iii) Gross National Product factor cost. [4 marks]
- (iv) National Income factor cost. [4 marks]

Question 4 (20 marks)

- a) List down **TWO (2)** objectives of taxation implementation. [4 marks]
- b) Explain **TWO (2)** differences between fiscal policy and monetary policy. [8 marks]
- c) Describe **TWO (2)** types of unemployment that commonly happen in a country. [8 marks]

Question 5 (20 marks)

International trade is referred as economic transactions that are made between countries.

- a) Explain **TWO (2)** advantages of international trade. [8 marks]
- b) Describe **THREE (3)** tools of protectionism that are useful to international trade. [12 marks]

END OF QUESTION PAPER