KOD/NAMA KURSUS: EG3083: EKONOMI PENGURUSAN
TARIKH: 27 OKTOBER 1996 (AHAD)
MASA: 2.30 - 5.00 PTG. (2 1/2 JAM)
TEMPAT: DEWAN MUADZAM SHAH

ARAHAN:
1. Answer FOUR (4) questions only.
2. Questions are equally marked.

NO. MATRIK: ____________________________ (dengan perkataan) ____________________________ (dengan angka)

NO. KAD PENGENALAN: ____________________________

NAMA PENSYARAH: ____________________________ KUMPULAN: ☐

JANGAN BUKA SOALAN INI SEHINGGA DIBERI ARAHAAN

SULIT
ANSWER 4 QUESTIONS ONLY.

1. Indicate whether each of the following statements is true or false and explain why?
   
   (a) A competitive firm that is incurring a loss should immediately cease operations?

   (b) A pure monopoly does not have to worry about suffering losses because it has the power to set its prices at any level it desires?

   (c) In the long run firms operating in perfect competition and monopolistic competition will tend to earn normal profit?

   (d) If P > AVC, a firm's total fixed cost will be greater than its loss?

   (e) Price elasticity of demand in a perfectly competitive market differs than that in a monopolistic market?

2. Describe the properties of the Baumol revenue maximization model. Do you consider it to be a good alternative to the profit maximization model?

3. How does one determine whether a market is oligopolistic? Is it important for managers to recognize the existence of oligopolistic competitors in the market where their companies operate? Explain?

4. The ABC company sells widgets at $9 each; variable unit cost is $6, and fixed cost is $60,000 per year.
   
   (a) What is the break even quantity point?

   (b) How many units must the company sell per year to achieve a profit of $15,000?

   (c) What will be the degree of operating leverage at the quantity sold in part (a)? Inpart (b)?

   (d) What will be the degree of operaturny leverage if 30,000 units are sold per year?

5. How is the company's optimal capital budget determined? Does the decision making process in this case resemble the procedure used in determining the price and quantity output? How?