Daffodil International University
Faculty of Business & Entrepreneurship
Department of Accounting
Program: BBA in Accounting

Semester: Summer-2026
Time: 90 minutes

Examination: Midterm
Full Marks: 25

Course Code: 0311-102
Course Title: Microeconomics
Teachers' Initial: DSMR

Answer the following questions:

1. Explain Opportunity Cost understanding as a past of decision making science and draw a Production Possibilities Frontier (PPF) as an example. **5 [CLO 1, Level 2]**
2. A telecommunications company reduces the price of its mobile data packages by 30%. Following the price reduction, smartphone sales increase significantly.
   - **(a) Analyze** the relationship between smartphone sales and mobile data price. Explain why smartphone demand increased after the reduction in data package prices. How would the demand curve for smartphones be affected by this change? **6 [CLO 3, Level 4]**
   - **(b) Assume** that the market for cherries is in equilibrium. Suddenly, the cherry market is subject to a major change. It is found that a group of insects destroyed a significant proportion of the cherry crop over the last week. Using the supply and demand model show and explain the impact of this changes on the equilibrium price and quantity in the cherry market. **4[CLO 3, Level 4]**
3. Suppose, you are a dealer of pen. You observe the demand and supply functions for pen are:

$$Qd = 30 - 2P$$
$$Qs = -5 + 5P$$

   - **a. Identify** equilibrium price and quantity from above equations. **5 [CLO 2, Level 3]**
   - **b.** If you want to sell your pen at a price of Taka 30 per unit then what will happen to your business, surplus or deficit? Would it be a right decision taken by you? **Apply** appropriate logic to support your decision. **5 [CLO 2, Level 3]**