

**KING SAUD UNIVERSITY**

**COLLEGE OF BUSINESS ADMINISTRATION**

**MUZAHIMIYAH BRANCH- KSA**

**Home Assignment (ECON- 101) - 1**

**Student Name:** ……...………………………………………………………………

**Student ID**……………………………… **Seq. No:** …………

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**Instructions:** All questions are compulsory.

Solve the problems in a separate paper attaching this question paper.

1. What is the scope of microeconomics?
2. What is law of demand? Explain it with suitable example.
3. Distinguish between price elasticity and income elasticity of demand.
4. Given price and two demand schedules for mobile and laptop, determine their elasticity of demand using the total outlay or expenditure method:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Price | 1000 | 800 | 600 | 400 | 200 |
| Qmobile | 20 | 25 | 30 | 35 | 40 |
| QLaptop | 20 | 30 | 45 | 60 | 130 |

1. What are the differences between expansion in demand and increase in demand curve?