

**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. Given price and two demand schedules for mobile and laptop, determine their elasticity of demand using the total outlay or expenditure method:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Price | 500 | 400 | 300 | 200 | 100 |
| Qmobile | 10 | 12 | 15 | 20 | 25 |
| QLaptop | 20 | 25 | 35 | 60 | 130 |

1. Calculate price elasticity of demand from A to B, from B to A and at midway between points A and B from the following table:

|  |  |  |
| --- | --- | --- |
| Point | Px (in SR) | Qx (in Kg.) |
| A | 100 | 20 |
| B | 75 | 35 |

1. Find arc elasticity of supply if price of rice rises from SR 20 to SR 25 per kg and supply increases from 20 kg to 30 kg in a month.
2. What is law of demand? Explain it with suitable example.
3. What are the scope of microeconomics and macroeconomics?