



UNIVERSITI KUALA LUMPUR
KAMPUS CAWANGAN MALAYSIAN SPANISH INSTITUTE

FINAL EXAMINATION
OCTOBER 2025 SEMESTER

COURSE CODE : SIB35603 (V2)
COURSE TITLE : ECONOMICS OF INNOVATION AND ENTREPRENEURSHIP
PROGRAMME NAME : BACHELOR OF BUSINESS TECHNOLOGY (HONOURS) IN
AUTOMOTIVE MANAGEMENT
DATE : 03 FEBRUARY 2026
TIME : 9:00AM - 12:00PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consist of TWO sections.
4. Answer ALL questions for Section A.
5. Section B consist of four questions. Answer THREE (3) questions only.
6. Please write your answer on the answer booklet provided.
7. Please answer all questions in English only.
8. Please answer MCQ/EMQ questions using OMR sheet. *Tick if applicable*
9. Refer to the attached Formula/ Appendies. *Tick if applicable*

THERE ARE 7 PAGES OF QUESTIONS INCLUDING THIS PAGE

SECTION A (Total: 40 marks)

Answer ALL questions.

Please use the answer booklet provided.

Question 1

The following table shows the demand and supply schedules for Good M.

Refer Below - Figure 1 : DD & SS .

Price per unit (RM)	Quantity Demanded (Units)	Quantity Supplied (Units)
2.00	600	200
4.00	500	300
6.00	400	400
8.00	300	500
10.00	200	600

Figure 1: DD & SS

- (a) Plot the demand and supply curves for Good M. (6 marks)
- (b) Determine the equilibrium price and quantity traded in the market for Good M. Show the equilibrium point on the graph by indicating point 'E'. (6 marks)
- (c) Is there a surplus or shortage at the price of RM8.00? How much is the surplus or shortage? (4 marks)
- (d) If the demand curve increases by 100 units at every price level, determine the new equilibrium price and quantity for Good M. (4 marks)

Question 2

The table shows the relationship between total product of Good Z and the number of workers employed.

Refer Below - Table1 : Production .

Table 1: Production

Capital	Labour	Total Product	Average Product	Marginal Product
100	0			
100	1			10
100	2			16
100	3			14
100	4			11
100	5			8
100	6			5
100	7			2
100	8			0
100	9			-4

- (a) Calculate the total product and the average product. (10 marks)
- (b) i Explain the Law of Dimishing Return.
ii. Determine the labour level when diminishing return set in. (5 marks)
- (c) As a rational manager, determine which the stages will he choose. (5 marks)

SECTION B (Total: 60 marks)

Answer THREE (3) questions only.

Please use the answer booklet provided.

Question 1

Market structure refers to the organizational and competitive characteristics of a market that influence how firms operate and make decisions. Two extreme forms of market structure commonly discussed in economics are perfect competition and monopoly. Distinguishing between a perfect competition and a monopoly market.

(20 marks)

Question 2

Based on the diagram:

Refer Below - Figure2 : Market .

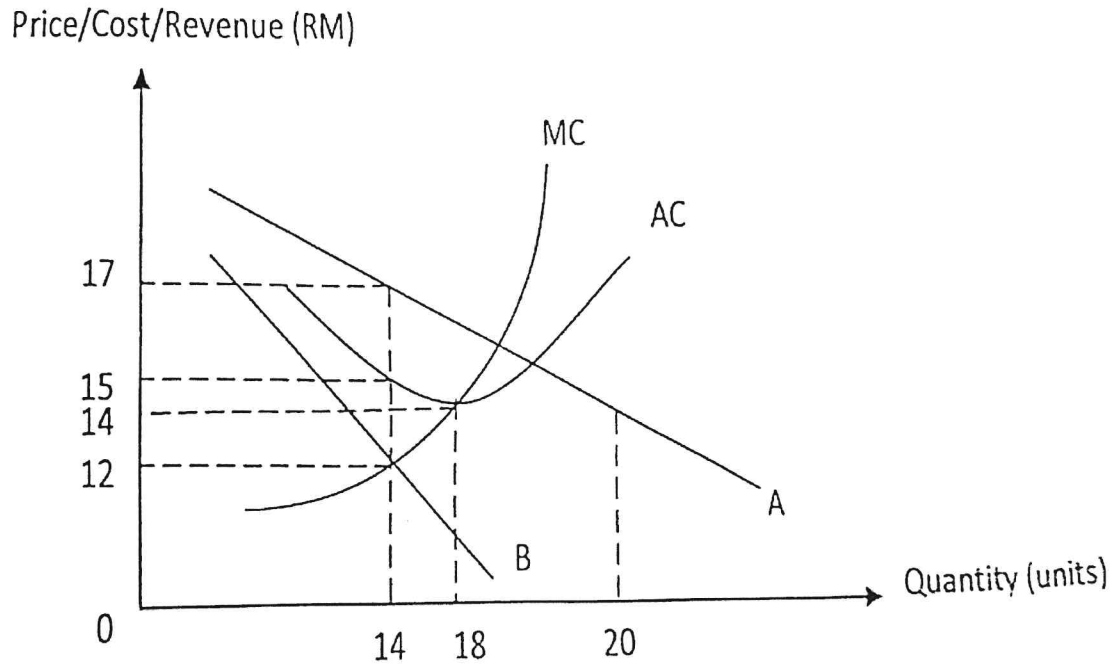


Figure 2: Market

- (a) Illustrate the marginal approach in profit maximization. Determine the equilibrium price and quantity. (5 marks)

- (b) Calculate the total revenue (TR) and total cost (TC) for the firm. (5 marks)

- (c) Identify and point out four characteristics of the firm. (10 marks)

Question 3

The theory of production in economics explains how firms transform inputs (also known as *factors of production*) into outputs (goods and services) in order to satisfy consumer needs and earn profit.

- (a) In the theory of production, break down the stages of production. Point out which production stage should a rational producer choose.

(15 marks)

- (b) Differentiate between short run and long run production. Give one examples of input that exist in each terms.

(5 marks)

Question 4

The table shows the production cost schedule for producing good A in Kulim, Kedah. Given the price of good A is RM10 per unit.

Refer Below - Table2 : List of costs .

Table 2: List of costs

Good A (unit)	Total Fixed Cost (RM)	Total Variable Cost (RM)	Total Cost (RM)	Average Cost (RM)	Average Variable Cost (RM)	Marginal Cost (RM)
0			30			
1			45			
2			55			
3			80			
4			110			
5			150			

- (a) Complete the table above. (5 marks)
- (b) Identify which market structure is the above firm operating. Give a reason to your answer. (5 marks)
- (c) Examine the marginal approach in determination of profit maximization, and identify the price and output in market equilibrium. (5 marks)
- (d) Using marginal approach, sketch a diagram to show the equilibrium position of the firm. (5 marks)

END OF EXAMINATION PAPER

