KÖZGAZDASÁGI-MARKETING ALAPISMERETEK
ANGOL NYELVEN
THE BASICS OF MARKETING ECONOMICS

2007. május 25. 8:00

KÖZÉPSZINTŰ ÍRÁSBELI VIZSGA
STANDARD LEVEL WRITTEN EXAMINATION

Az írásbeli vizsga időtartama: 180 perc
Duration of the written exam: 180 minutes

Pótlapok száma
No. additional pages
Tisztázati/Final
Piszkozati/Draft

OKTATÁSI ÉS KULTURÁLIS MINISZTÉRIUM
MINISTRY OF EDUCATION AND CULTURE
Important Information

Types of questions featured in the exam:

Test questions

1. Multiple choice questions:
   Mark the correct answer. There is only one correct answer for each question.
   If you have not marked your answers clearly, you will not get any points.

2. True/False questions, with explanation:
   Indicate your answer by writing the letters T (true) or F (false) after the statements.
   All answers have to be explained.

3. Definitions
   Define briefly in 3 or four sentences the given concepts and economic phenomena.

Calculation and geometrical questions

Indicating only the end result of calculations is insufficient, all calculations and formulas have to be written down as well.
Please use a ruler to provide precise diagrams.
Pencils may be used to prepare diagrams, the final solution, however; has to be finalized in pen.
During the examination you may only use non-programmable calculators.

Make sure you write legibly and that you provide a clear layout for your answers and try to manage your time sensibly.

Good luck!
TEST QUESTIONS

1. Multiple choice questions 10x1 = 10 points

1. If the market price is higher than the equilibrium price, then market automatism will
   a. increase
   b. decrease
   c. not change

   the market price.

2. If the price of two products plotted on an indifference map increase at the same rate, then
   a. both axis intersections of the budget line will be bigger.
   b. the vertical axis intersection of the budget line will be smaller, whereas the
      horizontal axis intersection of the budget line will remain unchanged.
   c. both axis intersections of the budget line will be smaller.

3. Which commodity pair has positive cross price elasticity out of the following commodity pairs?
   a. printer – cartridge
   b. ice ream – sorbet
   c. cinema ticket – evening dress

4. For a fully competing company, market price is a given, because
   a. it never changes.
   b. it is set by the company itself.
   c. does not depend on the quantity of products produced by the company.

5. The individual labour supply curve is
   a. negatively sloped.
   b. inverted.
   c. positively sloped.
6. NNDI means

7. The formula of marginal propensity to consume is:
   a. $\Delta C/\Delta Y$
   b. $\Delta C/Y$
   c. $C/\Delta Y$

8. A bill of exchange or a bank note can only play the role of money, if
   a. they are circulated outside the bank.
   b. they are circulated within the bank.
   c. they are circulated within as well as outside the bank.

9. An individual is a voluntarily unemployed, if
   a. he/she is at home to care for an ill parent.
   b. does not work for a given real wage.
   c. he/she is seeking employment, but is unable to find an employer.

10. “A 50%, or a several hundred percent increase in prices per annum may seem very frightening. Practice, however, shows that economies that manage to fully exploit their production capacities can produce an output of enviable proportions”.

Which type of inflation does the above statement refer to?
   a. creeping inflation
   b. galloping inflation
   c. hyperinflation
2. True or False questions

Decide, which of the following statements are true (T) or false (F). Write the correct letter on dotted line next to the statement. Justify your answer briefly.

1. A rational consumer strives to spend the least amount of money possible.  

2. Nominal income is the set of goods, which can be purchased from income.  

3. The total income function of a fully competing company is a straight line originating at zero.  

4. From a welfare point of view, a monopoly market is better than a fully competing market.  

5. Time spent at work is sacrificed utility.  

6. Interest rate hikes intensify investment demand.  

7. Increases in real wages increase unemployment.  

8. When purchasing for credit, money is a medium of the circulation function.  

9. Current items accounts register the movement of goods in the macro-economy.  

10. The expenditure of the state may not exceed its revenues.
3. Definitions 10x2 = 20 points

Define the following terms.

1. Marshall–cross

2. The principle of diminishing wants

3. Market period

4. Economic profit

5. Natural elements

6. Net investment

7. Central bank

8. Inactive population

9. Technological unemployment

10. Demand inflation
4. CALCULATION AND GEOMETRICAL QUESTIONS  50 points

Question 1  10 points

2004 data of an enterprise:
  Sales revenue:          HUF 50 million
  Total explicit cost:    HUF 15 million
  Accounting profit:     HUF 22 million
  Total economic cost of the enterprise: HUF 40 million

Questions:
Calculate how much is the enterprise’s
- economic profit,
- accounting cost,
- amortisation,
- non-accountable implicit cost,
- total implicit cost.
Robi lives in a dorm. When he goes home his mother gives him pocket money on one condition: He has to spend HUF 1500 on fruits. Robi does well on his promise and decides to buy oranges and bananas from the money he has been given. The price of 1 kg of bananas is HUF 250 the price of 1 kg of oranges is HUF 300.

Questions:

a. Plot Robi’s budget line and indicate the value of the axis intersections (The horizontal axis should show the quantity of bananas.)

b. Plot a possible indifference curve to illustrate Robi’s best choice.

c. Illustrate how the budget curve changes, if the unit price of bananas drops to HUF 200.

d. Illustrate how the budget curve changes compared to its situation in point

a. if Robi can spend only HUF 1800 altogether on the two fruits.
Question 3  

10 points

In a macro-economy marginal propensity to consume is 0.75  
autonomous consumption is 100,  
investment is 150.

Questions:

a. Write up the consumption function and the savings curve.

b. Calculate equilibrium income.

c. Calculate the amount of consumption in case of equilibrium income.
Question 4  

15 points

In a macro-economy the labour market can be characterised by the following functions:

\[ L^D = 2000 - 3 \frac{W}{P} \]
\[ L^S = 500 + 2 \frac{W}{P} \]

Questions:

a. How many people work in the economy if \( W = 400 \) and \( P = 1 \)? What is the number of unemployed? (One unit of \( L \) stands for a thousand people.)

b. At what real wage level is there equilibrium on the labour market and what is the number of employed in case of equilibrium real wages?

c. How can we characterise the labour market in case of real wages of 250?

d. Using the provided data plot the labour market.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Question number</th>
<th>Maximum points</th>
<th>Points scored</th>
<th>Maximum points awardable for the topic</th>
<th>Points scored in topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test questions</td>
<td>1.</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculation and geometrical questions</td>
<td>1.</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Points of written examination 100

Correcting teacher

Date: ..................................

Javító tanár / Correcting teacher  Jegyző / Notary

Dátum / Date: ............................  Dátum / Date: ............................