KÖZGAZDASÁGI-MARKETING ALAPISMERETEK ANGOL NYELVEN

EMELT SZINTŰ ÍRÁSBELI VIZSGA

2010. május 14. 8:00

Az írásbeli vizsga időtartama: 240 perc

Pótlapok száma

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OKTATÁSI ÉS KULTURÁLIS MINISZTÉRIUM
Important information

Dear Examinee,

The first section of the examination is designed to measure your knowledge in the field of micro-economics, while the second section deals with macro-economics.

The examination is composed of the following question types:

Multiple choice questions

Indicate which of the provided answers is correct. Only one answer will be accepted. If your indications are unclear, you will not get any points.

True-False questions, with explanations:

Please indicate your decision by writing the letters T (true) or F (false) in front of the statements.
All answers must be explained.

Definitions:

Define briefly, in 3-4 lines, the concepts and economic phenomena listed.

Calculation and geometrical questions

In the case of calculation questions, indicating end-results only will not be sufficient; all calculations and applied formulas must also be indicated on the work sheet.
Please use a ruler to draw precise diagrams.
Pencils may be used to draw up diagrams, the final solution, however; has to be finalized with pen.

Elaborative question:

Analyse the given topic on maximum one page. Attempt to give an organised, well structured overview of your knowledge in the field.

You may only use non-programmable calculators during the written examination.

Make sure you manage the time available well; write legibly and attempt to convey your thoughts clearly and coherently.

Good luck with your examination!
MICRO-ECONOMICS

I. MULTIPLE CHOICE QUESTIONS  3 x 1 = 3 points

Underline the correct answer.

1. The interest of the loan received
   a. is opportunity cost, as income we cannot access.
   b. is equal to normal profit.
   c. is explicit cost.

2. The labour force demand function of an enterprise corresponds to
   a. the marginal cost function of labour force.
   b. the marginal-revenue product function of labour force.
   c. the marginal product function.

3. If the internal rate of return is higher than the market rate of interest
   a. then the investment was worth making, because it ensures higher returns.
   b. then it was a mistake to make the investment, because it is showing a slower rate of return.
   c. there is no connection between the assessment of the two interest rates and the investment.
II. TRUE – FALSE QUESTIONS

Decide whether the following statements are true (T) or false (F).
Write the correct letter on the dotted line next to the statement.
Briefly explain your answer even if you feel the statement is true.

1. If we select a point within the range of the production possibilities frontier function, then at this point we are not fully utilising available resources. …….

2. If an enterprise operating on a fully competing market sells its products at a price under the average cost minimum, then it would be more rational to suspend production. …….

3. The price of agricultural products is high, because the rent of land is high. …….

4. When the production function increases at a decelerated rate, the marginal product function decreases. …….
III. DEFINITIONS  

2 x 2 = 4 points  

Define the following concepts.

1. Gossen’s 2nd law:

2. Positive externality:

IV. CALCULATION AND GEOMETRICAL QUESTIONS  

25 points  

Question 1  

14 points  

The following data is known about a company operating on a fully competing market:

<table>
<thead>
<tr>
<th>L (persons)</th>
<th>Q (pcs)</th>
<th>AP_L (pcs)</th>
<th>MP_L (pcs)</th>
<th>MRPL = VMP_L (HUF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
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<tr>
<td>5</td>
<td>46</td>
<td>4</td>
<td>4 600</td>
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<td>6</td>
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<td>2</td>
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<tr>
<td>7</td>
<td></td>
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<tr>
<td>8</td>
<td></td>
<td>-1</td>
<td></td>
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</tr>
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</table>

The only variable input is labour, the cost of which is HUF 6 900/person.
Question:

1.1. Calculate the data missing from the production, average product and marginal product columns of the table.  
(Make sure to indicate your calculations precisely.)

1.2. What is the market price of output?  
Determine the values of the marginal revenue product of labour.
1.3. What is the labour force utilisation at the optimum?

The condition of optimal labour force utilisation: ..................

Therefore, optimal labour force utilisation for the given company is .......... persons.

**Question 2**  
A company has to make a decision regarding which of two machines to procure. The yield of the two machines is identical for the first four years, but the first machine can operate for 4 years, while the other—which costs €400 thousand more—can operate for 5 years. In the fifth year, the yield of the second machine is €600 thousand. The market rate of interest is 10%.

Question:
2.1. Advise the entrepreneur on which machine to purchase!

Write down your calculations and explain your answer. (Round the interest factor to two decimal places, and euro values to one decimal place.)

2.2. What is the additional amount it is still profitable to pay for the more expensive machine?
Question 3 6 points

The coordinate-system below shows the marginal cost and demand functions of a fully competing market and a monopoly market.

Indicate the area of consumer surplus on both diagrams. In the case of the monopoly market, name the functions to be drawn in, as well as significant points and the areas created as a result. Try to make your markings as precise as possible.

Fully competing market

Monopoly market
V. ELABORATIVE QUESTION 10 points

Present what you have learnt about the elasticity of demand. Make sure you explain the contents, calculation and definition of the various elasticity indicators.
MACRO-ECONOMICS

VI. MULTIPLE CHOICE QUESTIONS 3 x 1 = 3 points

Underline the correct answer.

1. The rate of consumption expresses
   a. what percentage of income is spent on consumption.
   b. what percentage of surplus income is spent on consumption.
   c. how consumption and investment relate to each other.

2. If the tax determined as a percentage of income changes, then as a result
   a. the sloping of the aggregate demand function changes.
   b. the aggregate demand function shifts parallel to the original function.
   c. the investment function shifts.

3. If employment increases, then as a result
   a. inflation will also increase.
   b. macro-income will also increase.
   c. both inflation and macro-income increase.
VII. TRUE – FALSE QUESTIONS  
4 x 2 = 8 points

Decide whether the following statements are true (T) or false (F). Write the correct letter on the dotted line next to the statement. Briefly explain your answer even if you feel the statement is true.

1. The increasing of money supply causes demand-pull inflation.

2. Import is not dependent of income.

3. If government savings have a negative sign, this means that the state has debts or credit owed to domestic and/or foreign economic players.

4. The central bank and commercial banks are all able to create money.
VIII. DEFINITIONS

Define the following concepts.

1. Economic sector:

2. Flexible or floating exchange rate:

IX. CALCULATION AND GEOMETRICAL QUESTIONS

Question 1

Data available on a macro-economy are the following:

<table>
<thead>
<tr>
<th>Income</th>
<th>Consumption</th>
<th>Savings</th>
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<tbody>
<tr>
<td>1000</td>
<td></td>
<td>−200</td>
</tr>
<tr>
<td>1500</td>
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<td>2500</td>
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<tr>
<td>3000</td>
<td>2800</td>
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</table>

Question:

1.1. Calculate the missing data. How much is marginal propensity to consume, autonomous consumption, marginal propensity to save and autonomous savings? Indicate your calculations.
Continuation of the solution of Question 1.1

**Question 2**

Suppose that in a three-player economy, equilibrium is established at the $Y = 5000$ level. We also know that households spend 75% of each new acquired unit of income on consumption. In order to stimulate the labour market, the government increases the amount of government expenditures by 150 units.

**Question:**

How much will equilibrium income increase by?

What will be the value of the new equilibrium income?
Question 3 6 points

The labour market of a country can be described with the following functions:

\[ L^D = 1600 - 3w/p, \] and
\[ L^S = 300 + 2w/p. \]

\( P = 2 \) and each unit of \( L \) stands for 1000 persons.

Question:

3.1. Determine equilibrium real wage and the number of employed.

3.2. What would be the number of involuntary and voluntary unemployed, if \( w = 660 \), and the size of the active population is 1200 thousand persons?
Elaborate on what you have learnt about budgetary (fiscal) policy.

Make sure you also explain the role of taxes, transfers and government expenditures.
Economics — micro-economics

<table>
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<tr>
<th>Topic</th>
<th>Question number</th>
<th>Maximum points</th>
<th>Points Scored</th>
<th>Maximum points of topic</th>
<th>Points scored in topic</th>
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Economics — macro-economics

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Points scored in written examination 100

_____________________________________________________
Correcting teacher

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

_____________________________________________________
Javító tanár / Correcting teacher

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

Pontszáma egész számra kerekítve / Points rounded to a whole number

Programba beírt egész pontszám / Points whole number entered into programme

Mikróökonómia / micro-economics

Makróökonómia / macro-economics

Jegyző / Notary

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