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NVQ Level 05 - Semester I		
Quantity Surveying		
General Economics	F45C002M07	Three Hours
* Answer any five (05) questions only		

Question No 01

- (i) Briefly explain the term “Economics” in your own words. (3 Marks)
- (ii) Briefly explain the human needs and wants, use at minimum two examples for each of them. (4 Marks)
- (iii) “Resources are limited in the world” state three limited resources used in the construction industry. (3 Marks)
- (iv) Define the scarcity? Briefly explain the construction scarcity? (4 Marks)
- (v) Briefly explain the factors of production, state construction industry examples and explain the factors. (6 Marks)

Question No 02

- (i) Briefly explain the contribution of the Gross Domestic Product (GDP) with the country employment. (4 Marks)
- (ii) Define the term of the SWOT analysis in the construction industry, how SWOT analyses are conducted in the Sri Lankan construction industry, at least two points each of them. (6 Marks)
- (iii) Define meaning of public private partnership (PPP)? (3 Marks)
- (iv) Briefly explain two advantages and disadvantages of public private partnership (PPP)? (4 Marks)
- (v) In your words, Public Private Partnership is how to contribute Sri Lankan country economy? (3 Marks)

Question No 03

- (i) Discuss the law of Diminishing Marginal Utility. (3 Marks)
- (ii) State two main approaches of utility theory. (4 Marks)
- (iii) Briefly explain Marginal utility theory, use the graph and clarify your answer. (3 Marks)
- (iv) Based on the given information, calculate the total income. You are given following levels of satisfaction of a person having Pizzas and Chicken burgers.

Quantity	Total satisfaction from Chicken burgers	Total satisfaction from Pizzas
1	600	2100
2	900	2800
3	1100	3400
4	1200	3700
5	1260	3850
6	1260	4000

Assumption: prize of chicken burgers Rs. 60.00 and price of a Pizza is Rs. 120.00

Determine the optimum combination of goods which maximize his satisfaction. (10 Marks)

Question No 04

- (i) “Minimum price control law and regulation are imposed by the government to protect the producers” Do you agree with this statement? Briefly explain your answer and use graph where it is necessary. (4 Marks)
- (ii) Differentiate the Microeconomics and Macroeconomics. (4 Marks)
- (iii) Briefly explain Microeconomics advantages and disadvantages (4 Marks)
- (iv) State four types of market structure? And briefly explain two of them. (4 Marks)
- (v) Compare any two market characteristics, state four characteristics each of them. (4 Marks)

Question No 05

- (i) Based on the given information, calculate and complete the following table.

Output (Q)	Total Cost (TC)	Total Fixed Cost (FC)	Total Variable Cost (VC)	Average fixed Cost (AFC)	Average variable Cost (AVC)	Average Cost (AC)	Marginal Cost (MC)
0	400	400					
1	550						
2	750						
3	900						
4	1100	400					
5	1600						
6	2700						
7	2900						
8	3200	400					

(10 Marks)

- (ii) Briefly explain the terms of Total Production (TP), Average Production (AP) and Marginal Production (MP). (3 Marks)
- (iii) Briefly explain the producers and consumers surplus theory. (4 Marks)
- (iv) Briefly explain the equilibrium price and equilibrium quantity; you may use the diagram explains? (3 marks)

Question No 06

Write short notes on any 05 of the following in Economic terms (4 x 5 = 20 marks)

1. Equilibrium price
2. Determinant factors of Supply
3. Opportunity cost
4. Types of goods
5. Point price elasticity
6. Long term production theory
7. Diminishing marginal law