

Amoud University

Faculty of economics and political science

Group assignment

Course: Introduction to economics

Lecture: Abdirizak Mohamoud Osman

Instruction:

1. Read your teaching materials
2. Work in group
3. Avoid plagiarism
4. Avoid to include in the group list the Names of free riders
5. Prepare by hand (not computerized)
6. Submit your assignment 17/11/2018
7. Attempt all question

Part one

1. Explain the economic principles that deal how people make decisions?
2. Explain the economic principles that deal how people interact?
3. Explain the economic principles that deal how economy as a whole works?
4. Discuss scarcity?
5. Briefly differentiate micro and macroeconomics?

Part two

1. Using the data below construct a PPF?

Type of product	Production possibilities				
	A	B	C	D	E
Sugar	0	2	4	6	8
Milk	20	18	14	8	0

2. Assume that you have \$360 and you want to purchase two goods (X and Y), if the price of x is \$20 and price of y is \$10, construct a budget line using the data below?

Quantity of good x Price =\$20	Quantity of good y Price =\$10	Total expenditure \$360
18	0	
15	6	

12	12	
9	18	
6	24	
3	30	
0	36	

3. Draw the consumption curve, given the data below?

Monthly income	Monthly consumption expenditure	Point
0	25	A
50	50	B
100	75	C
150	100	D
200	125	E