

SCT 310-1 Applied Economics

(2)

a). "Learning Economics is important because of Scarcity" Do you agree with this statement?, explain your answer (10 marks)

b). Discuss the major assumptions of the Production Possibility Frontier and explain it using graphs where necessary (10 marks)

c). "Value Addition will make an unattainable consumption point attainable"  
Discuss this statement using Production Possibility Frontiers (10 marks)

d). "Increasing Opportunity Cost is more applicable in explaining the real world scenarios". Discuss this statement using graphs where necessary (20 marks)  
(Total 50 marks)

(3)

a). What is meant by "Market" in economics? Discuss your answer. (10 marks)

b). Explain Demand and Supply Functions. (10 marks)

c). Draw a Supply Curve using hypothetical data and explain the Supply Law using the graph. (10 marks)

d). Graphically explain the market equilibrium. (10 marks)

e). Discuss the relationship between Total Product, Marginal Product and Average Product using graphs where necessary. (10 marks)

(Total 50 marks)



(4)

Write short notes on any 5 (five) of the followings (10 marks for each)

- a). Short Run Production Functions
- b). Returns to Scale
- c). Value Chain
- e). Cobb-Douglas Production Function
- f). Economic Value Added
- g). Recent Economic Growth in Sri Lanka
- h). Importance of Learning Economics

