



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

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| QUALIFICATION : BACHELOR OF ECONOMICS HONOURS DEGREE | |
| QUALIFICATION CODE: 08BECO | LEVEL: 8 |
| COURSE CODE: AMI810S | COURSE NAME: ADVANCED MICROECONOMICS |
| SESSION: JUNE 2025 | PAPER: THEORY |
| DURATION: 3 HOURS | MARKS: 100 |

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| FIRST OPPORTUNITY EXAMINATION QUESTION PAPER | |
| EXAMINER(S) | MR. PINEHAS NANGULA |
| MODERATOR: | DR, RUTH EEGUNJOBI |

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| INSTRUCTIONS |
| 1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number the answers clearly. |

PERMISSIBLE MATERIALS

1. Scientific calculator
2. Pen and Pencil
3. Ruler

THIS QUESTION PAPER CONSISTS OF 3 PAGES (Including this front page)

Does its location depend on the value of P_y ?

[5 marks]

QUESTION FOUR

[25 MARKS]

- a) Explain in detail three microeconomics analytical tools. [6 marks]
- b) A Toyota manufacturer is considering how to allocate a N\$2.5 million advertising budget between two types of television programs: NPL football games and MTC boxing tournaments. The following table shows the new Toyota that are sold when a given amount of money is spent on advertising during an NPL football game and a MTC boxing tournaments. Let P be the amount of money devoted to advertising on NPL football games, T the amount of money spent on advertising on MTC boxing tournaments, and $C(P,T)$ the number of new vehicles sold.

| Total spent (Millions) | New sales from MTC tournaments | New sales from NPL football games |
|------------------------|--------------------------------|-----------------------------------|
| N\$0.00 | 0 | 0 |
| N\$0.50 | 3 | 9 |
| N\$1.00 | 7 | 14 |
| N\$1.50 | 11 | 19 |
| N\$2.00 | 15 | 24 |
| N\$2.50 | 18 | 25 |

- a) If Toyota decides to spend N\$2 million on advertising on MTC tournament, where must Toyota spend their remaining N\$0.5 million? Calculate marginal impact to justify your choice. [10 marks]
- b) If Toyota decides to spend N\$2 million on advertising on NPL tournament, where must Toyota spend their next N\$0.5 million? Calculate marginal impact to justify your choice. [9 marks]

All the best