

## FINAL EXAMINATION

Semester	:	<b>JANUARY 2026 SEMESTER</b>
Programme Name	:	<b>DIPLOMA IN LOGISTICS MANAGEMENT DIPLOMA IN BUSINESS STUDIES DIPLOMA OF ACCOUNTANCY DIPLOMA IN E-BUSINESS TECHNOLOGY MICRO-AWARD IN DIPLOMA IN LOGISTICS MANAGEMENT MICRO-AWARD IN DIPLOMA IN BUSINESS STUDIES</b>
Course Code & Name	:	<b>DBEC3013 INTRODUCTION TO ECONOMICS DEB1243 PRINCIPLES OF ECONOMICS DBEC3013 MIRCO-CREDENTIAL IN INTRODUCTION TO ECONOMICS</b>
Duration	:	<b>3 HOURS</b>

### INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

### WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

*(This booklet contains 2 printed pages including this page)*

**DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO**

Answer **ALL** questions on the separate sheet provided.

**[100 marks]**

1. Malaysia's 2026 Budget projects a total expenditure of RM419 billion to RM470 billion, aiming to narrow the fiscal deficit to 3.5% of GDP. Revenue is expected to reach RM343.1 billion, driven by improved tax collection (direct and indirect taxes) and the ongoing implementation of e-invoicing. The budget focuses on sustainable growth, subsidy rationalisation, and digital tax reforms.
  - a) With numerical examples, differentiate the **THREE (3)** types of income tax structure in Malaysia. (9 marks)
  - b) List down and explain the **FOUR (4)** types of government budgets. (8 marks)
  - c) Discuss with examples the **TWO (2)** types of Fiscal policy used in Malaysia. (8 marks)Total: [25 marks]
  
2. A fiscal or budget deficit refers to a situation where a government's total expenditures exceed its total revenue in a given fiscal year. In other words, it represents the shortfall between the government's spending and its income during a specific period, typically for a year.
  - a) Discuss any **THREE (3)** methods of financing the budget deficit. (15 marks)
  - b) Discuss any **TWO (2)** strengths of Fiscal Policy. (4 marks)
  - c) Discuss any **THREE (3)** weaknesses of Fiscal Policy. (6 marks)Total: [25 marks]
  
3. a) Define Gross Domestic Product (GDP). Explain which **THREE (3)** items are excluded from GDP statistics that would be important to take account of if we were to get a true indication of a country's standard of living. (Notes: support each item by using **TWO (2)** examples.) (19 marks)  
  
b) Besides measuring a country's standard of living, explain another **TWO (2)** uses of national income data. (6 marks)  
Total: [25 marks]
  
4. a) If new government regulations require firms to use a cleaner technology that is also less efficient than what they previously used, explain the effect on output, the price level, and employment using the Aggregate Demand-Aggregate Supply (AD-AS) diagram. (14 marks)  
  
b) Define Aggregate Demand (AD). Explain **TWO (2)** factors affecting it. (11 marks)  
Total: [25 marks]

**- END OF QUESTIONS -**