

**YEAR 10**

**COMMERCIAL STUDIES WORKSHEET**

**WEEK 2:(31<sup>st</sup> May to 4<sup>th</sup> June) 2021**

**Week 2**

**Monday work**

**Strand 3:                    **ECONOMY II****

**Summary notes**

**Economic Systems**

**Define the term Economic System.**

A method that a country chooses to follow to solve the three economic questions.

**What is the main Economic Problem?**

Scarcity

**3 basic economic problems.**

**a. What to produce?** – An economy must decide on the nature and the quantity of production.

**b. How to produce?** – An economy must decide on the technique and method of production.

**c. For whom to produce?** – Involves the distribution of goods and services to consumers.

**4. Name the 4 types of Economic Systems.**

**a.** Subsistence Economy.

**b.** Free Market Economy

**c.** Command Economy

**d.** Mixed Economy

### Activity 1

1. Another name for Free Market Economy is
  - A. Capitalisation.
  - B. Communism.
  - C. Subsistence.
  - D. Laissez Faire.
  
2. Who decides on what to produce in a Command Economy?
  - A. Producers
  - B. Consumers
  - C. Government
  - D. Families and Societies

3.

Complete the table given below by explaining **one** advantage and **one** disadvantage for each economic system:

	<b>Traditional Economy</b>	<b>Mixed Economy</b>
Advantage		
Disadvantage		

4. Paragraph writing

**Fiji is an example of a mixed economic system.**

With reference to the above statement:

- state **one** characteristic of mixed economic system.
- explain **two** advantages of mixed economic system.
- explain **two** disadvantages of mixed economic system.

Week 2  
Tuesday work

**Strand 3: MICROECONOMICS**

Summary notes

Resources (FOP)

**Define the term Resources and state another name for it.**

**Definition:** Includes all things used as input for production.

**ANOTHER NAME:** Factors of Production

**4 types of Resources and discuss how we can sustain them.**

RESOURCE	ALSO KNOWN AS	HOW DO WE MANAGE AND SUSTAIN THIS TYPE OF RESOURCE?	FACTOR RETURN/ FACTOR PAYMENT
Land	Natural Resources	Crop Rotation	Rent
Labour	Human Resources	Education and Training	Wages/Salaries
Capital	Man-Made Resources	Innovation	Interest
Entrepreneurship	Management Resources	Research & Development	Profit

## Activity 2

1.

Which of the following is classified as a man-made resource?

- A. Sea
- B. Dalo
- C. Land
- D. Machine

2.

What will be the best way to manage and sustain capital resources?

- A. Through innovation
- B. Through crop rotation
- C. Through education and training
- D. Through research and development

### Paragraph writing

3. **Resources are known as factors of production.**

- What are the **four** factors of production?
- Explain **one** way of managing any two of the factors of production above.
- Describe **one** major problem regarding the factors of production.

## Week 2

### Wednesday work

Strand 3:  
Summary notes

**MICROECONOMICS (DEMAND AND SUPPLY)**

### Equilibrium

**Define the term Equilibrium.**

Is the point at which the quantity demand equals the quantity supply.

**Define the term Equilibrium Price.**

Is the price at which the quantity demand equals the quantity supply.

**Define the term Equilibrium Quantity.**

Is the quantity at which the quantity demand equals the quantity supply.

Define the terms:

**Surplus (Excess Supply)** – Is a market situation where the quantity supply is more than the quantity demand.

**Shortage (Excess Demand)**– Is a market situation where the quantity demand is more than the quantity supply.

**Define the terms:**

**Market Demand Schedule** –A table that shows the summation of each individual demand.

**Market Demand Curve** – The horizontal summation of each individual demand curve.

**Market Demand** – Is a sum of all consumers demand for a particular good at various price levels.

**4 factors that can affect the market demand.**

a. Change in Income - An increase in income will increase the demand and vice versa.

b. Changes in taste and fashion – When our current taste changes, the demand for the current good decreases and the demand for some new good increases.

c. Changes in price of related goods

• Substitute goods – goods that can be used in place of other goods eg butter, margarine

Price of one good increases, the demand for the other good also increases and as the price of one good decreases, the demand for the other good also decreases. They are directly related.

• Complementary goods (joint goods) – goods that are jointly demanded and used together eg bread and butter, rice and curry etc.

Price of one good increases, the demand for the other good decreases and as the price of one good decreases, the demand for the other good increases. They are inversely related.

d. Expectation – If prices are expected to rise in future, the demand for the good will increase.

**Define the terms:**

**Market Supply Schedule** – A table that shows the summation of each individual supply.

**Market Supply Curve** – The horizontal summation of each individual supply curve.

**Market Supply** – Is a sum of all producers supply for a particular good at various price levels.

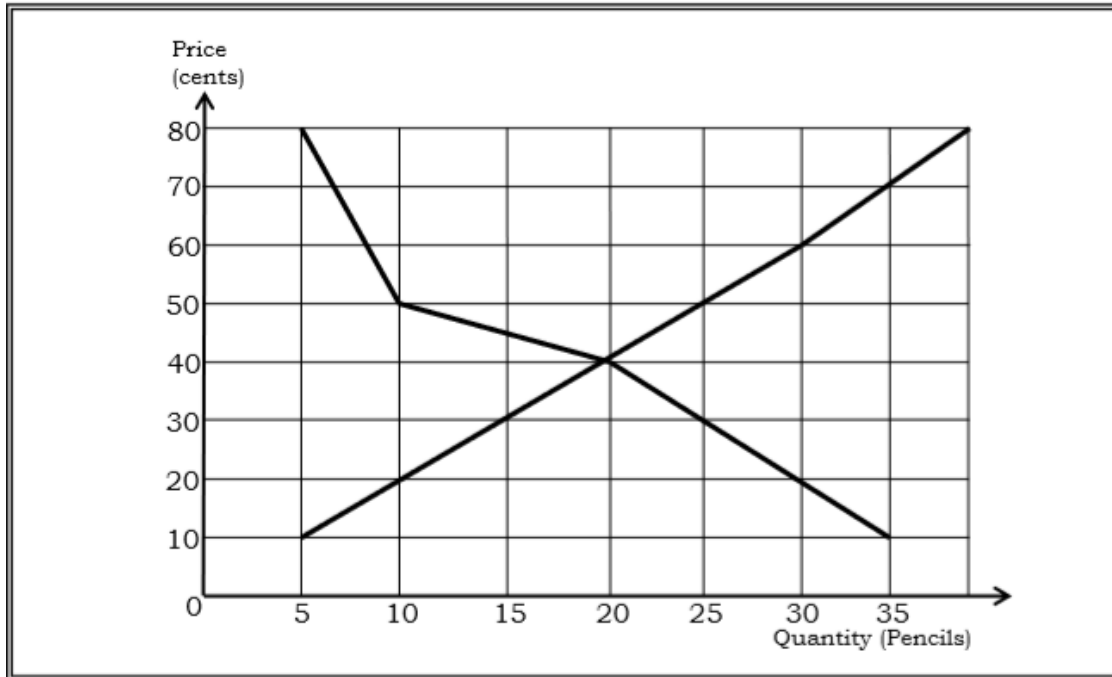
**4 factors that can affect the market supply.**

- a. Cost of production – a rise in the cost of production (inputs) including wages, rent payment, and material prices will lead to decrease in supply
- b. Changes in technology- things like computer, communication technologies have reviewed the overhead cost.
- c. Changes in price of unrelated goods – producers will produce goods that will make much profit for example if farmers' belief copra is not profitable, they might switch from copra to dalo.
- d. Joint supply – some goods are produced together. Demand for one good will lead to increase in supply for another e.g. bread and butter.

### Activity 3

1.

Use the information given below and your knowledge to answer the questions that follow.



- a. Label the demand and supply curves on the graph above.
  
- b. State the equilibrium:
  - (i) price
  - (ii) quantity
  
- c. At 60 cents, will the quantity supplied be greater or less than the quantity demanded?
  
- d. If price decreases to 30 cents, what is the
  - (i) quantity demanded
  - (ii) quantity supplied

2.

A shortage in a goods market occurs when the

- A. demand is less than supply.
- B. demand is greater than supply.
- C. quantity demanded is less than quantity supplied.
- D. quantity demanded is greater than quantity supplied.

3.

Paragraph writing

**“The price of ability does not depend on merit but on supply and demand.”** – George Bernard Shaw

With reference to the above statement:

- explain the **situation** in which market equilibrium occurs.
- describe **two** factors affecting changes in market demand.
- discuss the **problem** that arises when the quantity demanded is less than the quantity supplied.



Week 2  
Thursday work

**Strand 3: MICROECONOMICS (DEMAND AND SUPPLY)**

**Activity 3**

**Part a**

An increase in the cost of production will lead to

- A. decrease in supply.
- B. increase in supply.
- C. increase in demand.
- D. decrease in demand.

Quantity demanded is greater than quantity supplied at a given price is known as

- A. deficit.
- B. surplus.
- C. shortage.
- D. equilibrium.

The demand and Supply schedule for Dalo is given in the table below. Use the information provided below and your own knowledge to answer the questions that follow:

<b>Price (\$)</b>	<b>Quantity Supplied (bundle)</b>	<b>Quantity Demanded (bundle)</b>
10	3	30
30	9	21
40	15	15
50	27	9
60	30	3

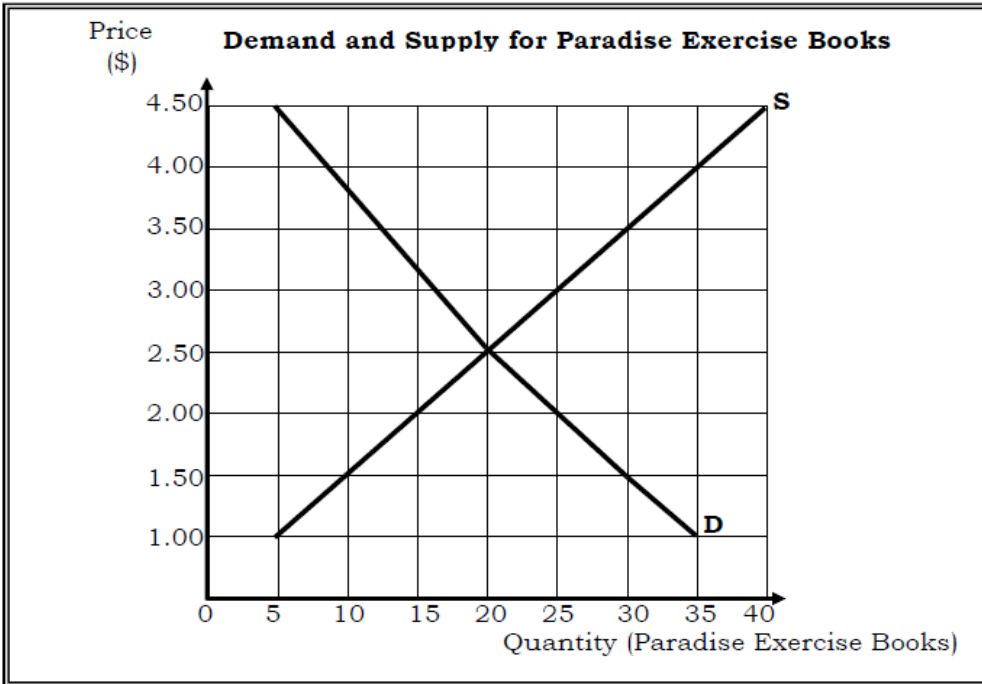
1. Draw and label the demand and supply curves.
2. Identify the equilibrium price\_\_\_\_\_.

Identify the equilibrium quantity \_\_\_\_\_.

**Part b**

**Microeconomics**

Use the graph given below and your knowledge to answer the questions that follow.



1. From the graph, identify the market equilibrium
  - a. Price
  - b. Quantity
2. At \$1.50, will there be a surplus or shortage of Paradise exercise books?
3. State **one** factor affecting change in demand.

Week 2  
Friday work

**Strand 3: INSTITUTIONS**

(a) **ECONOMIC INSTITUTIONS**

State **one** function and **one** contribution of each of the following institutions in Fiji :

1. Housing authority
3. Tourism Fiji
4. Airports Fiji LTD

5. Paragraph writing

**Sugar industry plays a vital role in Fiji's economy.**

With reference to the above statement:

- state **one** function of Fiji Sugar Corporation.
- explain **two** contributions made by the Fiji Sugar Corporation to Fiji's economy.
- explain **two** problems faced by the Fiji Sugar Corporation.