

YEAR 11

ECONOMICS WORKSHEET

WEEK 2:(31st May to 4th June) 2021

Week 2

Monday work

Strand 1: INTRODUCTION TO ECONOMICS

1. Name the British Economist whose notable idea is the ‘modern free market’ and the ‘invisible hand’.
 - A. L.C. Robbins
 - B. J.M. Keynes
 - C. Adam Smith
 - D. P.A. Samuelson

2. Who is the founder of Principles of Economics (1890)?
 - A. Alfred Marshall
 - B. Adam Smith
 - C. L.C. Robbins
 - D. J.M. Keynes

3. Name the British Economist who was born in 1898 and died in 1984.
 - A. Adam Smith
 - B. John Keynes
 - C. Lionel Robbins
 - D. Alfred Marshall

4. The economist who defined economics as a method or a technique of thinking which helps its possessor to draw correct conclusions is known as
A. Adam Smith. B. Lionel Robbins. C. Alfred Marshall. D. J. Maynard Keynes.

5. Which economic problem is answered in making the decision of whether to produce capital goods or economic goods?
 - A. What to produce?
 - B. How to produce?
 - C. For whom to produce?
 - D. When to produce?

6. In a market economy, 'what to produce' is determined by
- business firms.
 - consumers.
 - chiefs.
 - Communal ownership.
7. Which of the following is **not** a **limitation of graphs**?
- Incorrect labelling.
 - Inconsistency in scaling.
 - Discontinuous measurement.
 - Both axis are properly labelled.
8. A scarce good is one that
- has a price.
 - is free of charge.
 - abundant in supply.
 - is only found in specific places.
9. The economic system which uses primitive knowledge and resources to produce its goods and services is referred to as
- A. planned. B. command. C. subsistence. D. laissez-faire.
10. In a _____ economy individuals have freedom of choice and private ownership of resources.
- A. planned B. command C. subsistence D. laissez-faire

(a) Study the information given below and match the name of the Economist from column B with its correct definition of Economics given in column A.

Column A Definition of Economics	Column B Economist
1. Economics is the study of mankind in the ordinary business life.	A. Lionel Charles Robbins
2. Economics is the social science that studies human behavior as a relationship between ends and scarce means which have alternative uses.	B. John Maynard Keynes
3. Economics is a method or a technique of thinking which helps its possessor to draw correct conclusions.	C. Alfred Marshall

Week 2
Tuesday work

(a) Study the extract given below and with your own knowledge answer questions (i) and (ii).

A society (or country) might decide to produce candy or cars, computers or combat boots. The goods might be produced by unskilled workers in privately owned factories or by technical experts in government-funded laboratories. Once they are made, the goods might be given out for free to the poor or sold at high prices that only the rich can afford. The possibilities are endless.

Although every society answers the three basic economic questions differently, in doing so, each confronts the same fundamental problems: resource allocation and scarcity.

Source: <https://www.encyclopedia.com/article>

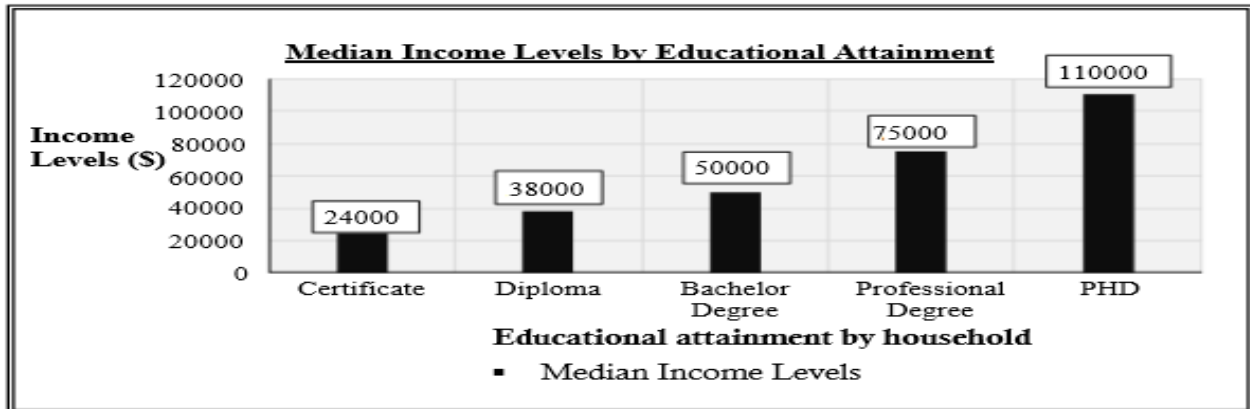
- (i) Identify any **one economic question** and its **example** elaborated in the article.
- (ii) Which economic system does Fiji adopt to enhance efficient resource allocation?

(b) Study the graph given below and with your own knowledge answer the questions that follow:



- 1. Name the **type of graph** that is used to represent the information above.
- 2. If the visitor arrivals from Australia is 30 000 in 2015 and 34 000 in 2016, calculate the **percentage increase**.

(c) Study the graph given below and answer the questions (i) to (iii) which follow.



Source: Tax Foundation.

- (i) Identify the **independent** and **dependent** variable from the graph.
- (ii) Explain what happens when the level of educational attainment by household increase.

Week 2
Wednesday work

1. Income received for the usage of intellectual properties such as singing is referred to as
 - A. royalty.
 - B. profit.
 - C. rent.
 - D. interest.
2. Credit worthiness can be improved by
 - A. buying in cash all the time.
 - B. visiting your bank frequently.
 - C. always ensuring that debts are paid partially.
 - D. always ensuring that debts are paid off in full.
3. Which of the following is an **unearned income**?
 - A. Wages
 - B. Salary
 - C. Commission
 - D. Social Welfare Benefits

4. **Statement of Affairs**

Kushal does not have much knowledge of accounting and he provided you with the following information.

He has a Van worth \$16500, savings in his bank account of \$14600, Land and Building \$150000, TV and Home Theatre System worth \$6000, bought a computer valued \$3200, loan from CK Furniture's \$1800, mortgage on building \$100000.

Required: Prepare a Statement of Affairs for Kushal.

5.

Study the table below and answer questions (i) to (iii) which follow.

COSTS OF PRODUCTION OF BOXES OF BISCUITS

Output of Biscuits (Boxes)	Fixed Cost (FC) (\$)	Variable Cost (VC) (\$)	Total Cost (TC) (\$)
0	40	0	40
1	40	10	50
2	40	20	60
3	40	30	70
4	40	40	80
5	40	50	90

- (i) Construct a **line graph** showing the **variable cost** and **fixed cost** curves from the data in the table above. (**Note:** 1. Place output in the x-axis and costs in the y-axis 2. Label fixed cost curve as FC and variable cost curve as VC) **(3 marks)**
- (ii) Explain why the **fixed cost** curve is a horizontal line. **(1 mark)**
- (iii) State the relationship between **fixed costs, variable costs and total costs.** **(1 mark)**

Week 2
Thursday work

1. An effective price ceiling creates a _____ and an effective price floor creates a _____.
A. surplus; shortage
B. shortage; shortage
C. surplus; surplus
D. shortage; surplus

2. A price ceiling _____ lead to a black market and a price floor _____ lead to illegal trading.
A. cannot; cannot
B. can; can
C. can; cannot
D. cannot; can

3. A price ceiling _____ to increased search activity and a price floor _____ to increased search activity.
A. leads; does not lead
B. does not lead; leads
C. leads; leads
D. does not lead; does not lead

4. Use the table below to answer the questions that follow.

Prices (\$)	Qty Demanded (kg)	Qty Supplied (kg)
10	30	110
9	40	90
8	50	75
7	60	60
6	70	45
5	80	20

- (a) What is the equilibrium price and quantity?

- (b) If the government sets a price of \$9, what would be the market surplus?

- (c) Explain why the government may set a price floor.

- (d) State the effect on the original equilibrium price and quantity if the government decides to set a price floor. *(Use diagram if needed to help you with your explanation)*

Week 2
Friday work

Summary notes

Agricultural sector in Fiji includes sugarcane, copra, cash crop farming, fisheries, forestry, dairy and livestock farming. A large number of people rely on agriculture for their livelihood.

Nature of Production in the Agricultural Sector

1. Agriculture is a primary industry that deals with extraction of raw materials from the land or the sea. It is the first stage of production.
2. It is mostly labour intensive industry.
3. It is mostly export oriented industry.
4. Agricultural sector operates at subsistence, semi subsistence and commercial level.

Contributions of Agricultural Sector to Fiji's Economy

1. It provides employment to skilled and unskilled workers.
2. Agriculture brings in foreign exchange earnings.
3. It contributes significantly towards GDP.
4. Agriculture also contributes towards economic development that is development of other sectors such as commercial industries and service industries.
5. Contributes to infrastructural development.
6. It provides major source of income to a significant number of people in the economy.

Problems Faced By the Agricultural Sector

1. Natural disasters.
2. Pests and diseases.
3. Climatic and geographical condition.
4. Expiry of land leases.
5. Fluctuations in world market prices.
6. Expiry of trade agreements e.g. LOME Convention and EEU agreement shall expire in 2015.
7. Political instability.
8. Lack of skilled labour and technology.
9. Cost of raw materials and transportation.

Government Actions to Curb the Agricultural Problems in the Economy

1. Provide subsidy to encourage production in agricultural sector through micro finance scheme and National Centre for Small and Medium Enterprise Development *NCSMED.
2. Renewal of land leases to increase agricultural output.
3. Undertake new trade agreements e.g. Pacific Agreement for Closer Economic Relations *PACER and Melanesian Spearhead Group Trade Agreement *MSGTA and securing new foreign markets e.g. China, Malaysia, Sri Lanka.
4. Encouraging youths to engage in agricultural sector by giving scholarships in agricultural studies.
5. Workshops held by Ministry to create awareness among farmers e.g. Agriculture Show.
6. Controlling pest and disease through biosecurity.
7. Encouraging diversification in the agricultural sector to boost income, output and exports. eg. Pacific Green, piggyery, sugar, cash crop farming.
8. Introduction of land banks by the government i.e. land is available at the Land Bank for any form of farm.

Activity

Paragraph writing

Agricultural sector plays a very significant role in developing countries like Fiji.

With reference to the above statement, discuss:

- **three** distinctive nature of the sector
- **three** contributions made by the sector
- **three** problems or challenges faced by the sector