

## YEAR 11

### ECONOMICS WORKSHEET

WEEK 3:(7<sup>th</sup> to 11<sup>th</sup> June) 2021

#### Week 3

#### Monday work

#### Summary notes

##### **ROLE OF ECONOMISTS**

Economists help in the economic planning and development in the economy and undertake research and issues such as:

- effect of changes on tax rates
- the relationship between the level of savings and investment in the economy.
- way of reducing development problems such as unemployment, inflation, poverty, etc
- using economic theories and models to predict or explain behavior of individuals and firms in the economy.
- analyse market changes and business methods for effective decision making.

##### **REASONS FOR THE STUDY OF ECONOMICS: APPLICATIONS AND IMPLICATIONS**

- It helps us in our work since many jobs require economics knowledge. e.g. Accountants, Managers, Governments Advisors, Tax consultants etc.
- It helps us make rational decisions.
- It helps us to understand why people around us behave the way they do.

#### Activity 1

1. **Who is an Economist. Describe two role played by an Economist?**
2. **Explain three reasons why we need to have Economics knowledge?**
3. **Research Activity**

Research on the following job titles: Economist, Real Estate Broker. The following to be considered in the research work:

- i. Minimum qualification requirement
- ii. Cost of obtaining the above qualification
- iii. Best Local Tertiary Institutions offering training

**Week 3**  
**Tuesday work**

**Economic Systems**

**Part A Multiple Choice**

1. Economics is the study of
  - A. investment in the Stock Market.
  - B. how business firms make profit.
  - C. how businesses keep their accounts balanced.
  - D. how scarce resources are used to provide wants and needs.
  
2. Which Economist defined Economics as the study of mankind in the ordinary business of life?
  - A. Adam Smith.
  - B. J.M Keynes.
  - C. Alfred Marshall.
  - D. L.C Robins.
  
3. Economics is social science in the sense that it deals with
  - A. investing successfully on the stock exchange.
  - B. the allocation of society's scarce resource.
  - C. establishing and running a profitable business firm.
  - D. sound accounting and financial management practices.
  
4. All societies face the problem of choice because
  - A. resources are limited relative to wants.
  - B. wants are limited relative to resources.
  - C. prices are often too high for many consumers.
  - D. wages are often too high manufactures.

**Part B : True or False**

1. Study of human behaviour has nothing to do with Economics or Economists \_\_\_\_\_
2. Economics concerns itself with relationships between human organization structures.  
\_\_\_\_\_
3. Economics is regarded by many as a pure science as it follows scientific method.  
\_\_\_\_\_
4. Modern Economics is based on two fundamental concepts – scarcity and choice.  
\_\_\_\_\_
5. The economic problem is the problem of choosing between alternative resources.  
\_\_\_\_\_

**Part C : Short Answers**

1. What are the two broad criteria that can be used to classify economic systems?
2. What is meant by traditional economy?

**Week 3**  
**Wednesday work**

1. Complete the table by filling in the missing values.

Units of Output	Total Cost	Average Cost	Marginal Cost
2	170		25
3	190	63.33	
4		55	30
5	270	54	50

- 2.

Production Costs

Units of Output	Fixed Costs	Variable Cost	Total cost	AFC	AVC	AFC	MC
1	100	30	130				
2	100	48	148				
3	100	64	164				
4	100	86	186				
5	100	110	210				
6	100	136	236				
7	100	164	264				
8	100	210	310				
9	100	280	380				
10	100	410	510				

Complete the table below to the nearest dollar.

**Week 3**  
**Thursday work**

**Summary notes**

**GRAPHS IN ECONOMICS**

A Graph is an illustration which shows relationship between two or more economic variables. A Graph is a convenient and rewarding means of presenting information.

In Economics, graphs help us to:

- present economic relationships and principles.
- display information.
- analyse and interpret data over a period of time.
- forecast trends project what is expected in future.
- show the performance of various sectors in the economy.

**USES OF GRAPHS**

-Graphs are used in Economics to give a picture or show certain relationships between economic variables.

-They illustrate economic theories and models that make easy reference and understanding of the real world.

- 'A graph is worth a thousand words' means that without graphs, we will have to rely exclusively on words to explain economic principles.

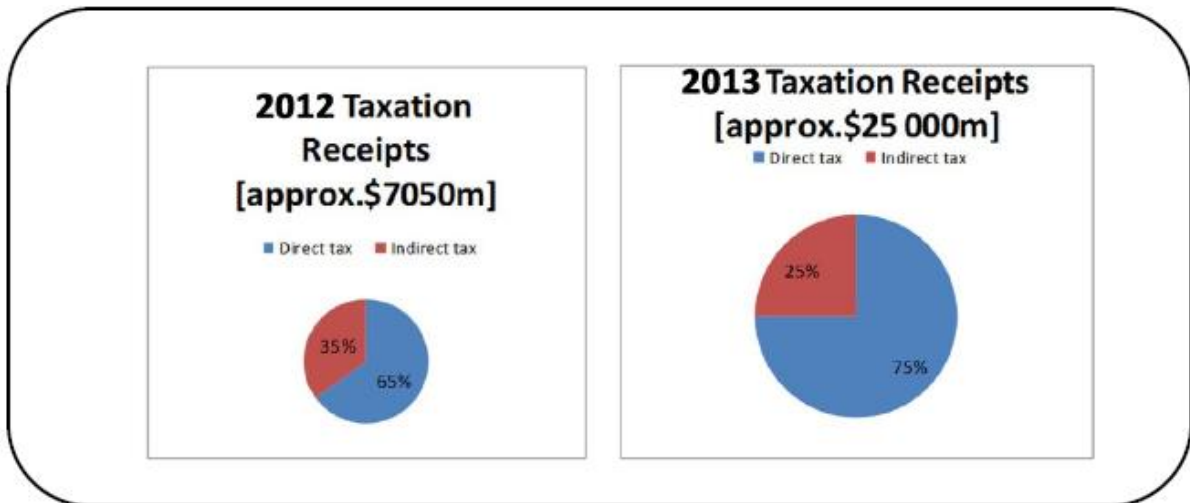
**LIMITATIONS OF GRAPHS**

The following limitations will lead to misleading interpretations:

1. Discontinuous measurements.
2. Incorrect labelling.
3. Inconsistency in scaling (equi-distance).
4. Missing or improper titles.

**ACTIVITY**

Use the pie charts given below to answer the questions that follow.



- i. What do the pie charts given above show?
- ii. Calculate the total value of direct tax for year 2012.
- iii. Calculate the total value of indirect tax for year 2013.
- iv. Using the information given draw a Bar graph.

IMPORTED ITEMS	2011 P(\$)	2012 P(\$)
Food	729.7	770.1
Mineral Fuels	1,165.7	1,213.8
Chemicals	301.5	325.4
Manufactured Goods	465.6	508.0
Mach & Transport Equipment	837.1	763.0
Miscell Manufactured Goods	282.7	306.3

### Points to Note

When drawing graphs, note the following very important points :

- i) Title : all graphs should have a title. A graph without a title has no meaning.
- ii) Both axis should be labeled
- iii) Intervals should be consistent along the axis, both in terms of spacing and value.
- iv) Intervals along the axis should be marked by a small stroke.
- v) Origin should be marked zero (0)
- vi) Always draw with a pencil.

### Week 3 Friday work

1. Read the resource below on costs, revenues and profits and with your knowledge answer questions (i) to (iv).

Sam, the owner of **Eight Wonders Handicraft** started his business with \$20,000 of his savings with micro-finance which usually earns 10% interest per year. Sam is an architect by profession and could earn \$5,000 per year when designing a building. He buys wood carvings, strings and coconut husks for his business amounting to \$10,000 in a year. He hires a wood carver to carve wooden products which is sold in his shop and pays him \$7,000 in a year. Sam collects approximately \$50,000 from his sales in a year.

**Calculate** the following:

- (i) Income forgone
- (ii) Accounting profit
- (iii) Economic cost
- (iv) Economic profit