

RISHIKUL SANATAN COLLEGE
REMEDIAL WORKSHEET

ECONOMICS

YEAR 12

12th – 18th May

QUESTION 1

Given below is the production possibility schedule for shirts and dresses

TYPES OF PRODUCTIONS	A	B	C	D	E	F
SHIRTS (000)	0	2	6	10	14	18
DRESSES (000)	10	8	6	4	2	0

- (i) Draw and label the production probability frontier. (2 marks)
- (ii) Describe the shape of the PPF and explain why it is like that. (2 marks)
- (iii) Give another name of production possibility frontier. (1 mark)
- (iv) Calculate the marginal rate of transformation from point A to Point B. (1 mark)
- (v) Can the PPF reach a point outside the frontier with the given level of resources and technology? Explain (1 mark)
- (vi) What is the opportunity cost of increasing the output of shirts from 6,000 to 10,000? (1 mark)

QUESTION 2

Study the information given below and use your knowledge to answer questions.

Production Function

Labour (No. of workers)	Total Productions	Marginal Product	Average Product
1	4	4	4.0
2	9	5	4.5
3	16	7	5.3
4	28	12	7.0
5	38	10	7.6
6	40	2	6.8

- (i) Is the given data of short-run nature or of a long-run nature? Explain your answer. (2 marks)
- (ii) When do diminishing marginal returns to workers begin to set in? (1 mark)
- (iii) Draw the Total Production (TP), marginal product (MP) and average product (AP) curves. Label the curves clearly. (3 marks)
- (iv) List down one relationship between total product and marginal product curves. (1 mark)
- (v) The firms will employ until what unit of labour and why. (2 marks)