

**RISHIKUL SANATAN COLLEGE**  
**REMEDIAL WORKSHEET**

**ECONOMICS**

**YEAR 12**

**19<sup>th</sup> - 25<sup>th</sup> May**

**QUESTION 1**

Muna is market vendor who sells grog in Nabua Market. He is a price taker. He sells Grog at \$4.50 a bag. The table below shows the cost of his business at each level of output being produced.

<b>Output</b>	<b>Total Cost \$</b>	<b>Average Cost \$</b>	<b>Marginal Cost \$</b>
0	100		
5	120		
15	140		
30	160		
50	250		
75	280		

- (i) Complete the table by calculating the total average cost and marginal cost at each level of output.  
(3marks)
- (ii) Identify the fixed cost.  
(1mark)
- (iii) Calculate the maximizing level of output for this market vendor.  
(1mark)

**QUESTION 2**

Differentiate the following:

- (i) Export orientation program and import substitution program.
- (ii) Import resource based industry and domestic resource based industry

- (iii) Law of increasing opportunity cost and law of cost opportunity cost
- (iv) Shutdown point and breakeven point
- (v) Subnormal profit and supernormal profit

(10 marks)