RISHIKUL SANATAN COLLEGE
REVISION WORKSHEET

ECONOMICS

YEAR 12
31st May – 4th June

MONDAY
QUESTION 1

(a) **Define the following:**
   (i) **Law of increasing opportunity cost**
   (ii) **scarcity**
   (iii) **real cost**

(b)   The production possibilities of Economy A are given below.

Output	Fish (00 per month)	Coconuts (00 per month)
A	0	17
B	2	15
C	3	13
D	4	10
E	5	6
F	6	0

   (i)   Use the information given above to draw the Production Possibility Curve
          (PPC) for Economy A. (Label Fish on the x-axis and Coconuts on
          the y-axis.)

   (ii)   What is the opportunity cost of producing 200 more fish, when the
          economy is producing at point 'B'

   (iii) Calculate the MRT if the economy is moving from point 'B' to point 'C'

   (iv)   State a reason for the shape of PPC drawn above for (i).

   (v)   List two economic assumption of PPC

TUESDAY
Question 2

Fiji's economy encompasses mainly of agriculture, fisheries, forestry, mining, manufacturing and service sector.
Discuss the statement with reference to:

   •   The three features of the garment industry   .   **(3 marks)**

- Any three ways of improving productivity in a garment industry **(3 marks)**
- Any three benefits that can be derived from the garment industry to Fiji's economy, the female workers of the industry and the government. **(3 marks)**

WEDNESDAY
QUESTION 3

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.

Output	Total Cost $	Average Cost $	Marginal Cost $
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.

(ii) Identify the fixed cost.

(iii) Calculate the maximizing level of output for this market vendor.

(iv) Differentiate between marginal revenue and marginal cost

(v) Define optimal output

THURSDAY,
QUESTION 4

Suppose that the total demand and supply for Soap are as shown in the table.

Demand and Supply for Soap		
Price/Bar	**Quantity Demanded**	**Quantity Supplied**
$5000	2000	12000
$4000	4000	10000
$3000	7000	7000
$2000	11000	4000
$1000	16000	1000

(i)   Using the above data, identitfy the efficiency price and quantity   .

(ii)   Calculate the total revenue at the equilibrium price.

(iii)   Calculate the price elasticity of demand
        (a)   if price falls from $3000 to $2000. State the elasticity
        (b)   if price rises from $4000 to $5000. State the elasticity

(iv)   Define the term elasticity of demand.

(v)   Differentiate between Price elasticity of demand, Income elasticity of demand and Cross elasticity of demand

FRIDAY
QUESTION 5

Use the graph given below and use your knowledge to answer the questions that
        follows. **Note the graph is an incomplete graph.**
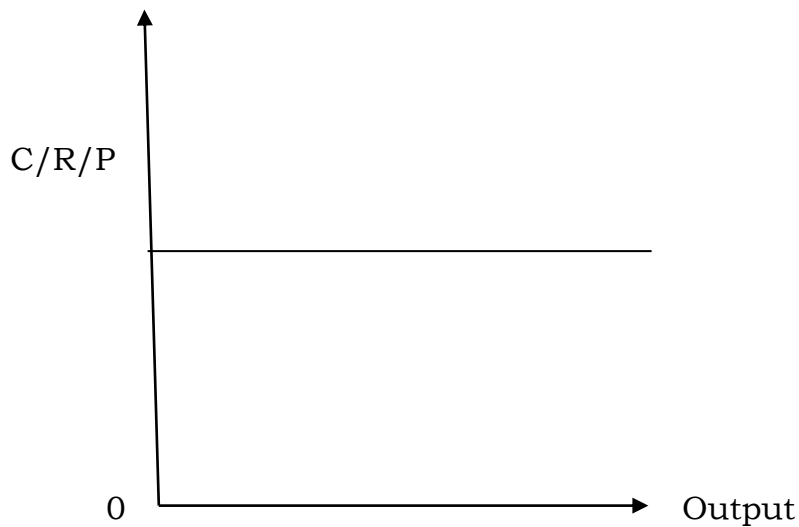
(i)   What Market structure is illustrated by the graph? Reason?

(ii)   Label the curves A and B.

(iii)   Sketch an average cost curve (AC) that gives a super-normal profit on the curve in the answer booklet.

(iv)   Shade the area of super-normal profit and label clearly.

(v)   How will this profit affect other firms outside the industry?