

**RISHIKUL SANATAN COLLEGE  
REVISION WORKSHEET**

**ECONOMICS**

**YEAR 12**

**7th May – 11th June**

**MONDAY  
QUESTION 1**

- (a) **Define the following:**
- (i) **Law of constant opportunity cost**
  - (ii) **Choice**
  - (iii) **production efficiency**
- (b) Use the information below to answer the following questions.

**Production Possibilities of Maryland Economy**

<b>POSSIBILITY</b>	<b>FISHERY PRODUCTS [KG PER WK]</b>	<b>AGRICULTURAL PRODUCTIONS [KG PER WK]</b>
A	0	300
B	100	280
C	200	240
D	300	180
E	400	100
F	500	0

- (i) Draw a transformation curve for the Maryland economy.
- (ii) Use the PPF to calculate the opportunity cost of producing the first 150 Kilograms of fishery products.
- (iii) Identify the principle that supports the nature and shape of the graph that you have drawn in part (i) above.
- (iv) List two Economic assumptions in constructing a PPF
- (v) Explain why PPF is also known as transformation curve.

## TUESDAY

### Question 2

Until 1980's the manufacturing industry played an insignificant role in the Fiji's economy.

Discuss the statement with reference to:

- Discuss one nature and two importance of the manufacturing industry to Fiji's economy (3 marks)
- Discuss three problems faced by the Flour Mills Of Fiji LTD (3 marks)
- For the growth to occur in the manufacturing sector of Fiji's economy changes will be necessary. Discuss three changes that should occur to assist the manufacturing industry (3 marks)

## WEDNESDAY

### QUESTION 3

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

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

## THURSDAY, QUESTION 4

### (A)

- In a garment industry there are 400 labour force and the output produced is 2000 units of garments. Calculate the labour productivity. (show your working) (2 marks)
- Differentiate between internal economies and external economies of scale (2 marks)
- Discuss one factor that contributes towards diseconomies of scale (1 mark)

**(B)**

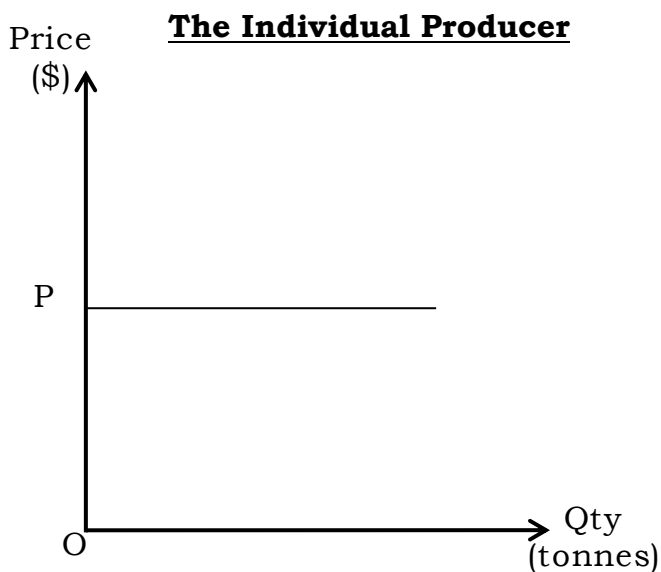
1. Division of labour is seen when workers undertake
  - A. unskilled task
  - B. dual operation
  - C. specialized task
  - D. trade union task
  
2. In Economics the measure of output per unit of input is called
  - A. productivity
  - B. production efficiency
  - C. profit ratio
  - D. profitability
  
3. Economies of scale occurs when
  - A. average costs will fall as output falls
  - B. there is advantages to operating in the short-run
  - C. a proportional increase in inputs will lead to a less than proportional increase in output
  - D. a proportional increase in inputs will lead to a more than proportional increase in output

**FRIDAY**

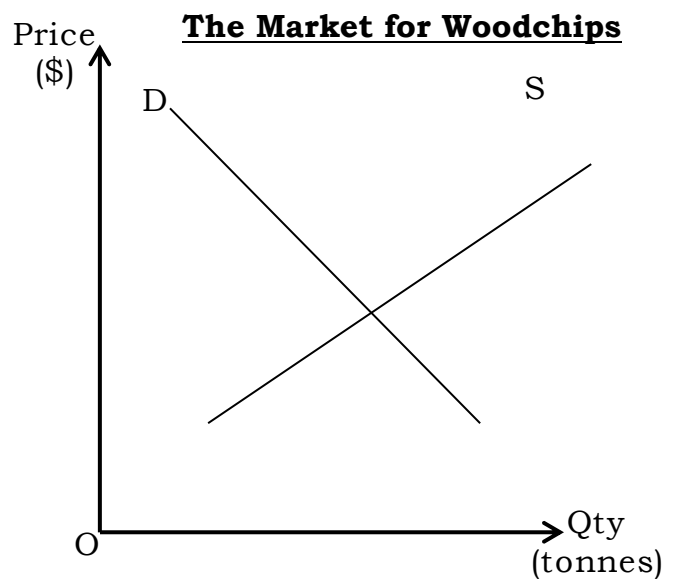
**QUESTION 5**

Study the graph given below to answer the questions which follow.

**Graph 1**



**Graph 2**



- (i) On graph 2, label the equilibrium level of output ( $Q_e$ ) and equilibrium price ( $P_e$ ).

- (ii) On Graph 1, label the profit maximizing level of output ( $Q_1$ ).
- (iii) On graph 1, shade and label the profit area.
- (i) On graph 1 and 2, show the effect of LR situation where firms end up earning normal profit