

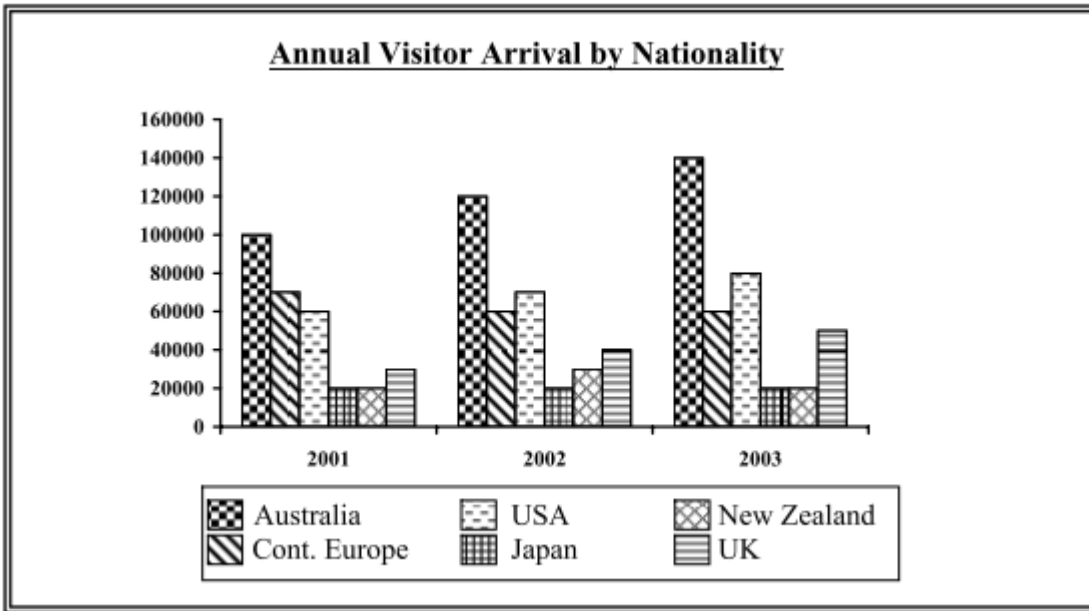
**BA SANGAM COLLEGE**  
**HOME BASED EDUCATIONAL SUPPORT**  
**YEAR 11**  
**Economics**

**Topic: Introduction To Economics**

1. Economics is an aspect of Social Science that
  - A. Studies how man makes machines
  - B. Analyses how a government maintains its power
  - C. Discusses how people solve the problem of poverty
  - D. Analyses peoples behavior with regards to scarcity
  
2. Scarcity of resources exists because people
  - A. Have to make choices
  - B. Have insatiable wants
  - C. Lack the skills to produce more
  - D. Lack the technology to produce more
  
3. Opportunity Cost refers to the cost of goods and services as measured by
  - A. The consumer price index
  - B. The Bureau of Statistics
  - C. The price of whatever is purchased
  - D. What have to be given up in order to obtain something else.
  
4. A limitation of the use of graphs in economics is that graphs often do not
  - A. Forecast trends
  - B. Display huge information
  - C. Illustrates cause and effect relationship.
  - D. Show certain relationship between economic variables
  
5. Which Economist defined economics as the science that studies human behavior as a relationship between ends and scarce means which have alternative uses?
  - A. Adam Smith
  - B. J.M.Keynes
  - C. Alfred Marshall
  - D. L.C . Robbins
  
6. 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.

**Question 7**

Study the graph given below and use your knowledge to answer the questions that follow.

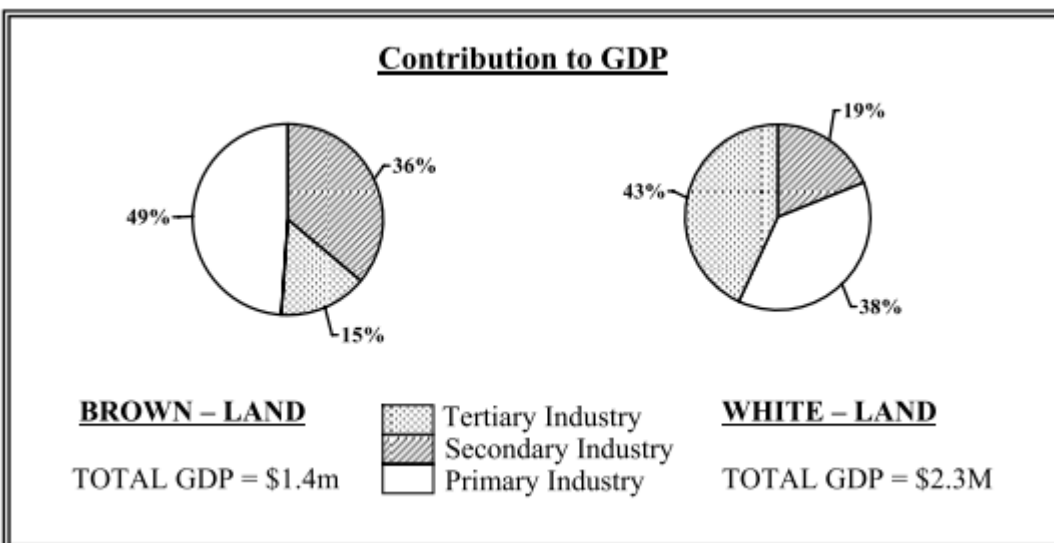


Source : Bureau of Statistics : Key Statistics, Sept 2004.

- (i) Which country is the major tourism market for Fiji?
- (ii) Calculate the percentage (%) increase in tourist arrival from Australia between 2001 and 2002.
- (iii) Name the type of graph the shown above

**Question 7**

(a) Study the information given below and use your knowledge to answer the questions that follow.



- i. Differentiate between secondary and tertiary industries.
- ii. Calculate the total contribution of primary industry to Brown Land’s GDP
- iii. Identify which economy is more developed and give a reason for your answer

**Topic: Microeconomics**

1. Examples of **earned income** are
  - A. bonus, wages and lottery.
  - B. salary, wages and commission.
  - C. salary, fringe benefits and inheritance.
  - D. inheritance, lottery and fringe benefits.
  
2. The **maximum price** set by a government **below** equilibrium level is best known as
  - A. price floor.
  - B. price control.
  - C. price ceiling.
  - D. minimum price.
  
3. Total cost at output **zero** is always equal to the
  - A. fixed cost.
  - B. marginal cost.
  - C. variable cost.
  - D. opportunity cost.
  
4. Production refers to
  - A. exchange value.
  - B. creation of utility.
  - C. destruction of utility.
  - D. act of consuming goods.

**QUESTION 5**

Atu has been in the business for a year selling a new product 'Roip'. His total revenue for the year is \$100500 and business expenses total to \$25000. Roma could be earning \$55000 as an actress. Also Roma invested \$25000 out of her fixed term deposit which could be earning her 4 % interest

Calculate

- i. Accounting Cost
- ii. Opportunity Cost
- iii. Economic Cost
- iv. Accounting Profit
- v. Economic Profit

**Question 6**

Unit of Output	Fixed Costs	Variable Costs	Total Costs	AFC	AVC	ATC	MC
1	100	35	185				
2	100	50	200				
3	100	84	234				
4	100	100	250				
5	100	120	270				
6	100	170	320				
7	100	220	370				
8	100	280	430				
9	100	350	500				

10	100	400	550				
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Complete the table given above for AFC, AVC, ATC and MC?

**QUESTION 7**

**AGRICULTURE INDUSTRY**

a) Study the extract given below and answer the questions that follow.

**DRIFTNET FISHING**

Driftnet fishing has been described as “Wall of Death” because it catches whatever comes in their way. It kills everything within its reach and people take what they want and throw the rest back in the sea. Driftnet fishing causes rapid depletion of fish stock and at the same time accidentally captures the marine life.

- i. What does the extract portrays?
  - ii. How does the above type of fishing contribute to depletion of resources in future?
  - iii. Discuss two other challenges faced by this industry other than Driftnet fishing.
  - iv. What action is taken by government to solve the problem identified in the article?
- v) State two ways how this fishing industry contributes towards Fiji’s economy.
- b. Use the article below and your knowledge to answer the questions that follow.

The mining industry has always had an effect on the rest of the economy. Gold rushes lead to an increase in population and bring about the need for additional infrastructure. Industries are set up to supply machinery and transport for the mines. Towns grow to provide commercial and service industries. The surrounding farming industries benefit from the towns as well. However, latest global figures reveal that employment in the mining industries decline steadily despite the growth in the mining sector.

Source: *Economic Fundamentals Vol 1*, William Boyes, 1999.

- (i) Explain why mining is an example of an extractive industry.
- (ii) Explain why employment has declined in the mining industries over the years.
- (iii) State **two** examples of auxillary industries that benefit from the development of mining activities.

**The End**