

Sangam S.K.M College- Nadi
Year 11
Economics
Worksheet 5

Questions

1. Consumer and Consumption

Match the terms listed in Column A against its meaning in Column B.

	Column A	Column B
1	Commission	A Is the failure to pay interest and principal on a loan or security when due.
2	Debt Default	B Payments made by a corporation to its shareholders.
3	Credit Agency	C A form of payment to an agent for services rendered.
4	Dividend	D Ability to make payments on time.
5	Royalty	E Gather debt information that is used to generate a score that indicates creditworthiness.
6	Credit Worthiness	F Payment made to an owner for the ongoing use of his/her asset or property.

2. Production Cost

Use the table below and your knowledge to answer the questions below.

Output (Number of pen)	Total Cost (\$)	Marginal Cost (\$)	Average Cost (\$)
1	8	-	8
2	11	3	5.50
3	13	2	4.33
4	14	(i)	3.50
5	18	4	(ii)
6	24	6	4

Calculate the missing figures (i) and (ii).

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

Adila, a teacher who needs to earn extra income but can afford only 10 hours per week after school. She can earn \$20 per hour for taking private tutoring for Economics students. One week, this teacher takes 10 hours to plant seedlings into pots, which costs \$120. When the plants have grown, the plants were sold to the local nursery for \$300.

- (i) Compute the opportunity cost of planting the seedlings.
- (ii) Calculate the economic profit of the seedling venture.
- (iii) Explain the reason why Adila would avoid getting order from the local nursery.