

PENANG SANGAM HIGH SCHOOL

YEAR 12

ECONOMICS

WORKSHEET 3

Question 1

Use the information in the graph given below to answer the questions (i) and (ii).

A number of things happened when price of Good X increased from \$7 to \$8, the quantity demand of good X decrease from 100 units to 90 units. The quantity demand for good Y increases from 40 units to 60 units.

- (i) Calculate the Price Elasticity of Demand (PED) for goods X.

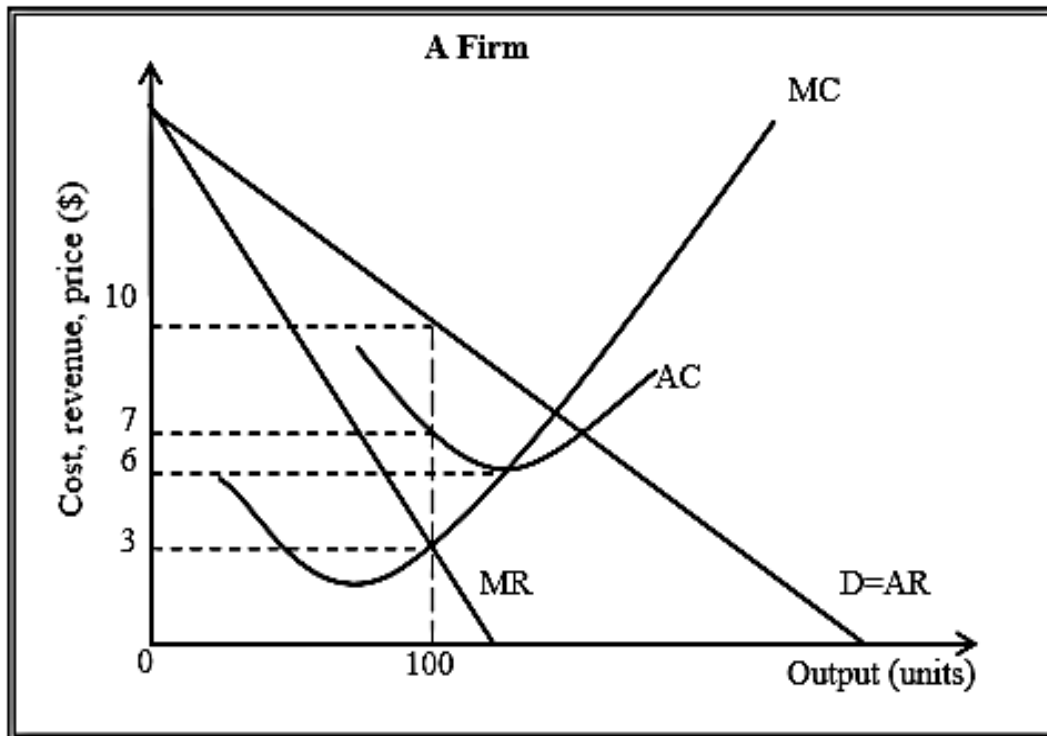
- (ii) Calculate the **cross-elasticity** of demand for good X and Y and state the **type** of good X and Y represents.

- (iii) **Define** Price Elasticity of demand.

- (iv) State the **significance** of price elasticity of demand on government decisions.

Question 2

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



- (i) Which particular market structure is given above? Why?

- (ii) Calculate the following at the **profit maximised** output.
 - I. Total Revenue
 - II. Total Cost

- (iii) **Identify and shade** the amount of profit made by the firm?

- (iv) Describe **one** feature of a perfectly competitive market and use **an example** of markets that are similar in structure.