Suva Sangam College
Year 13
Economics
Worksheet 4

Question 1

Use the information given below and your own knowledge to answer questions (i) to (iii).

The market situation and condition for Good Y is given by the following equations where price is given in dollars.
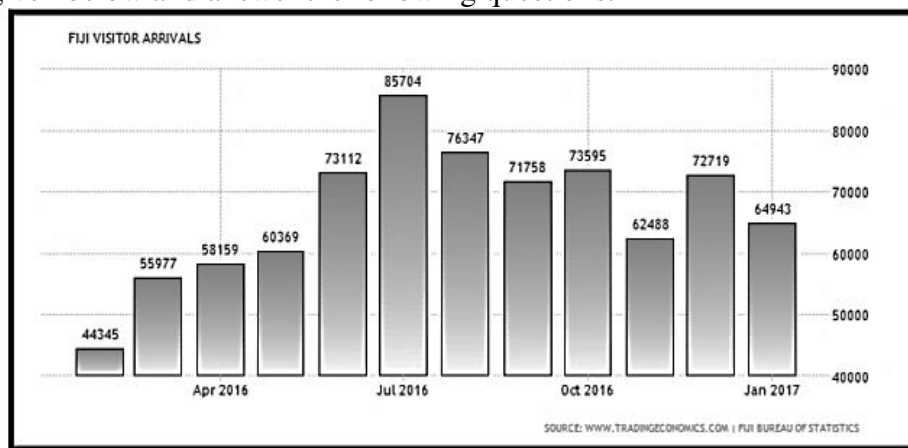
Equation 1:	**Q**	**=**	**240 − 4P**	
Equation 2:	**Q**	**=**	**4P**	

   i.   Which equation denotes the market demand curve? Give a reason for your choice.

   ii. Calculate the market equilibrium price and quantity.

   iii. If the government of the day imposes a sales tax on Good Y, which equation will be directly

        affected by this tax imposition?

Question 2

Study the graph given below and answer the following questions.

   i.   What does the above graph show?

   ii. Explain the concept of multiplier effect in relation to the rise in tourist numbers in July.

   iii. Calculate percentage change in tourist arrivals from June 2016 to July 2016?

   iv. State a strategy towards sustainable tourism in Fiji?

Question 3

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

   i.   State one cause of traffic congestion in Fiji

   ii. Suggest one solution to overcome the problem of traffic congestion.