

SUVA SANGAM COLLEGE

YEAR 11

ECONOMICS

WORKSHEET 4

1) Use the case study to answer the questions that follow.

Roma has been in business for a year selling a new product „Uro Choc“. Her total revenue for the year ended is \$500 000 and business expenses total \$295 000. Roma could be earning \$55 000 as an actress. Also, Roma’s investment of \$250 000 could currently be earning 15.5 % per annum.

Calculate the following:

- a. Accounting Profit
- b. Economic Profit

2) state the formula for the following

- a) total cost
- b) average cost
- c) marginal cost