

BA SANGAM COLLEGE
YEAR 13 ECONOMICS
Supplementary Worksheet 4

Short Answer Questions

Branches and Different Approaches in Economics

1. Economic statements are either directly stated on their own or have some kind of economics connotations in them.
Classify the statement (i) to (iv) into either Positive or Normative statement.
 - (i) Tourism Fiji indicated that there is an increased in tourist arrival in Fiji.
 - (ii) Increase in retirement age to 60 years will increased GDP of a nation.
 - (iii) Deficit government budget enhance economic growth.
 - (iv) Climate change issue can be combated if more aware is treated.
2. Microeconomics and Macroeconomics are two branches or fields of economics.
Classify the economic issues (i) to (iv) into either macroeconomics or microeconomics.
 - (i) The economic growth rate for the Fijian economy these days is quite promising.
 - (ii) The productivity rate for the employees at Food Pacific's company is on the diminishing effect.
 - (iii) The price of packets of bongo at Sarava's Mini Mart is on the boom effect.
 - (iv) There was a fall in unemployment rate in our economy.

Scope and Methodologies in Economics

1. Read the article below and answer questions (i) - (iii).

Testing Hypotheses - Developing Theories

Harvard economist N. Gregory Mankiw, author of "Principles of Economics" and a former White House adviser, calls the scientific method, which requires the development and testing of theories, the essence of science. In economics, this means developing theories about such questions as what causes inflation, why people save or consume, and what conditions favor increased hiring and investment by firms. To explain these and other economic issues, economists develop hypotheses, collect and analyze data, and formulate theories based on their results. Economists may revise or refine existing theories in response to further examination and analysis that advances previously existing knowledge.

Source: <https://classroom.synonym.com>

- (i) Define **economic theories**.
 - (ii) Explain how the scientific method is similar to the studying of economics.
 - (iii) Identify the term which refers to the statement created by researchers when they make a guess upon the outcome of a research.
2. Discuss **two Economic Reforms** that has taken place in Fiji's economy.

School of Economics Thought

Use the Resource List given below and your knowledge to answer questions (i) to (v).

Resource List

Adam Smith
Alfred Marshall
John Maynard Keynes
Milton Friedman
Vilfredo Pareto

Identify and name the economic theorist or economist associated with following contribution. Each theorist or economist is to be used only once.

- (i) Believed that the work be best left to function on its own without government regulation.
- (ii) Explained that we are able to produce output at lower per unit costs through internal economies.
- (iii) Concluded that supply that it is demand that created supply.
- (iv) Money supply to grow at a constant rate, along with increases in productivity and a moderate rate of inflation.
- (v) Showed assumption that utility of goods can actually be measured is not necessary to derive any of the standard results in consumer theory.

Essay Writing

Write an essay of approximately 180-200 words to answer the essay question given below. Graphs may be used where necessary. (½ m – Introduction & ½ m – Conclusion)

Economic concepts have been developed from respective economic school of thoughts .

Discuss the above statement with reference to:

- any three school of thoughts with their theories.
- one economic theorist each from the above schools of thought with an economic concept developed by each theorist.
- three significance of the study of economic theorists.