

**Ba Sangam College**  
**Year 11**  
**Economics**  
**Worksheet 5**

**Strand 2: Microeconomics**

1. Which of the following is a direct result of **diversification** in primary industry?
  - A. Increase in imports
  - B. Increase in exports
  - C. More reliance on foreign products
  - D. Decrease in employment opportunities
  
2. The **minimum price** set by government above **equilibrium** level is best known as
  - A. price floor.
  - B. price ceiling.
  - C. maximum price.
  - D. world market price.
  
3. The \_\_\_\_\_ fishery operates on a large scale and is export oriented.
  - A. artisanal
  - B. industrial
  - C. subsistence
  - D. recreational
  
4. The situation where quantity supplied is **greater than** quantity demanded is known as
  - A. surplus.
  - B. shortage.
  - C. equilibrium.
  - D. excess demand.
  
5. Define the following concepts:
  - (i) Deadweight Loss
  - (ii) Earned Income
  - (iii) Debt Burden
  - (iv) Price Floor

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

Akansha has been in a business for a year, known as Fashion Accessories. Her total revenue for the year is \$350,000 and business expenses total \$200,000. Akansha could be earning \$35,000 if she worked for another firm as an auditor. Also Akansha invested \$180,000 of her money to start her business. The \$180,000 could currently be earning her 14% per annum in a fixed term deposit account.

Calculate the following: (**Show all working**)

- (i) Accounting cost
- (ii) Accounting profit
- (iii) Economic profit

7. Use the information given below and your knowledge to answer questions (i) and (ii).

Raralevu economy produces 150 Refrigerators and number of workers involved to produce refrigerators is 6.

- (i) Define Productivity
- (ii) Calculate **Productivity** in producing refrigerators for the Raralevu economy.
- (iii) Explain the difference between **Labour Intensive** and **Capital Intensive Industries**.

8. **ESSAY WRITING**

**Mining is an integral part of Fiji's economy, with gold representing one of the country's largest exports.**

With reference to the above statement, discuss

- **three** contributions made by the industry
- **three** problems or challenges faced by the industry
- **three** extent of government involvement in the industry to curb problems

**THE END**