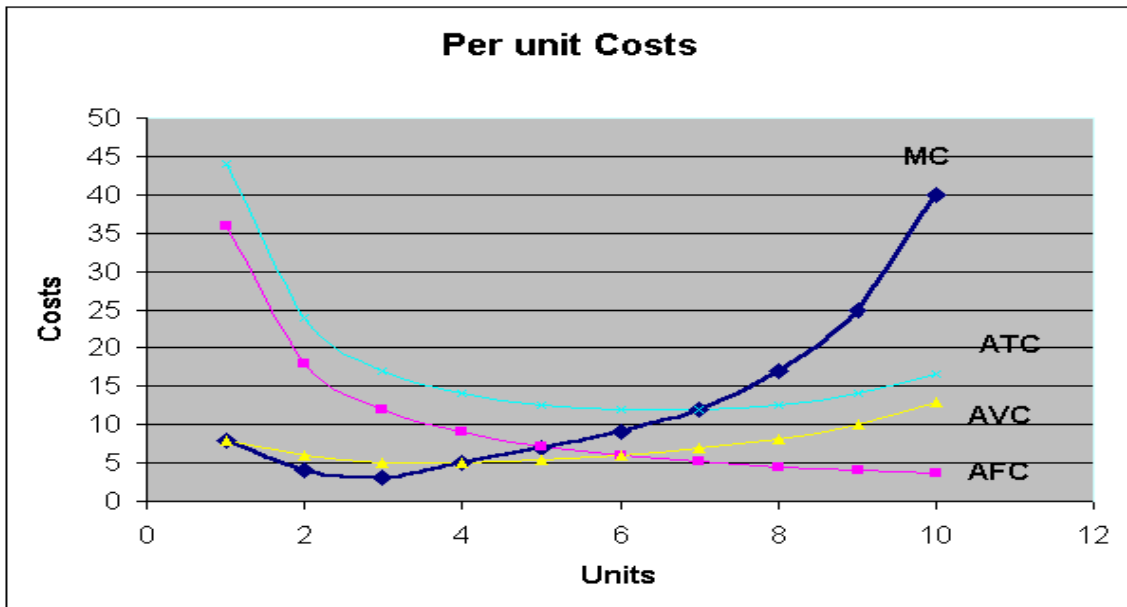**PENANG SANGAM HIGH SCHOOL**

YEAR 11

ECONOMICS

WORKSHEET 5

1. Use the graph given showing the production cost analysis for Safety Wear Boots.
    Analyze the graph and refer to the questions that follow below the graph:

a) Define **costs of production**?

b) Describe the relationship between **Average cost** and **Marginal cost**?

c) **Calculate** the following:

i.   Marginal Cost at the 9th unit of output.

ii.   Average Fixed Cost at the 6th unit of output.

2. Use the table given below to answer the questions which follow:

Supply and Demand Schedule for Medical Services at Suva Private Hospital during the Coronavirus Pandemic period.

Price in dollars ($)/patient	Quantity Supplied (Qs- Antibiotic tablets)	Quantity Demanded (Qd- Antibiotic tablets)
160	8000	0
140	7000	1000
120	6000	2000
100	5000	3000
80	4000	4000
60	3000	5000
40	2000	6000
20	1000	7000
0	0	8000

a) Draw a fully **labeled demand and supply curve** in the space provided in the Answer Booklet.

b) State the **Equilibrium Price** and **Quantity**?

c) If the government sets a **price floor** at $120, calculate the **producer surplus**?

(Show all working)

d) If the Government imposes a **maximum price** of $40 per patient, briefly explain what will happen to the **price** and **quantity demanded** of **Antibiotic tablets** in the local pharmaceutical market?