

SUVA SANGAM COLLEGE

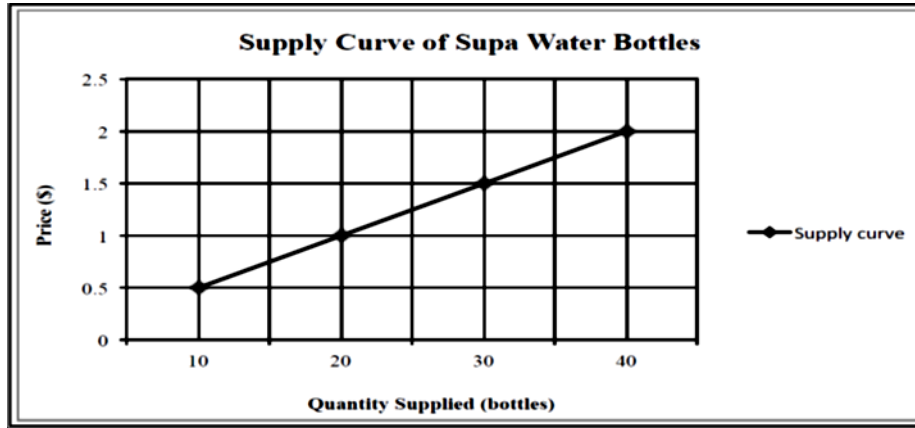
YEAR 13

ECONOMICS

WORKSHEET 5

Question 1

Study the diagram below on the supply of Supa Water Bottles and with your own knowledge answer questions (i) to (iii).



- (i) State the formula to find the coefficient of Price Elasticity of Supply
- (ii) Calculate the coefficient for the elasticity of supply when the price of Supa water bottles decreased from \$2 to \$0.50.
- (iii) Why is Price Elasticity of Supply significant to an economy?

Question 2

Study the table below and answer questions that follow: Supply schedule for bottle of coke.

Price(cents)	Quantity(000)
80	6
90	8
100	10
110	12
120	16
130	18

Calculate PES for the following price range:

- (i) price increases from \$1.00 to \$1.10
- (ii) price decreases from \$1.20 to \$0.80

Question 3

Briefly describe the following PES:

- i. Elastic supply.
- ii. Inelastic supply.
- iii. Perfectly elastic supply.
- iv. Perfectly inelastic supply