

SUVA SANGAM COLLEGE
YEAR 13
ECONOMICS
WORKSHEET 6

Question 1

Study the table below and with your own knowledge answer questions (i) - (iii). The table below shows the units of labour and their respective total outputs for a particular product.

Units of labour	Total output (units)
1	10
2	26
3	52
4	84
5	105
6	115
7	120

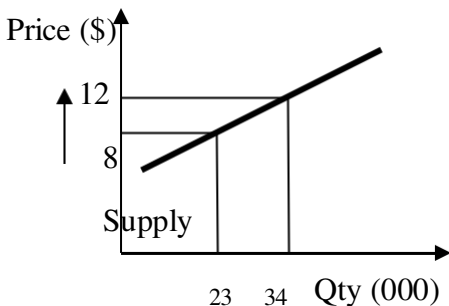
- i. Define law of diminishing returns.
- ii. Identify the output range in which the firm experiences diminishing returns.
- iii. State the time period in which diminishing return sets in.

Question 2

When is a good considered to have an elastic supply?

- A. When the percentage change in quantity supplied is greater than the percentage change in price.
- B. When the percentage change in quantity supplied is lesser than the percentage change in price.
- C. When the percentage change in quantity supplied is equal to the percentage change in price.
- D. When the percentage change in quantity demanded is greater than the percentage change in price.

Question 3



Calculate the PES from the price range of \$8.00 to \$12.00