

SUVA SANGAM COLLEGE

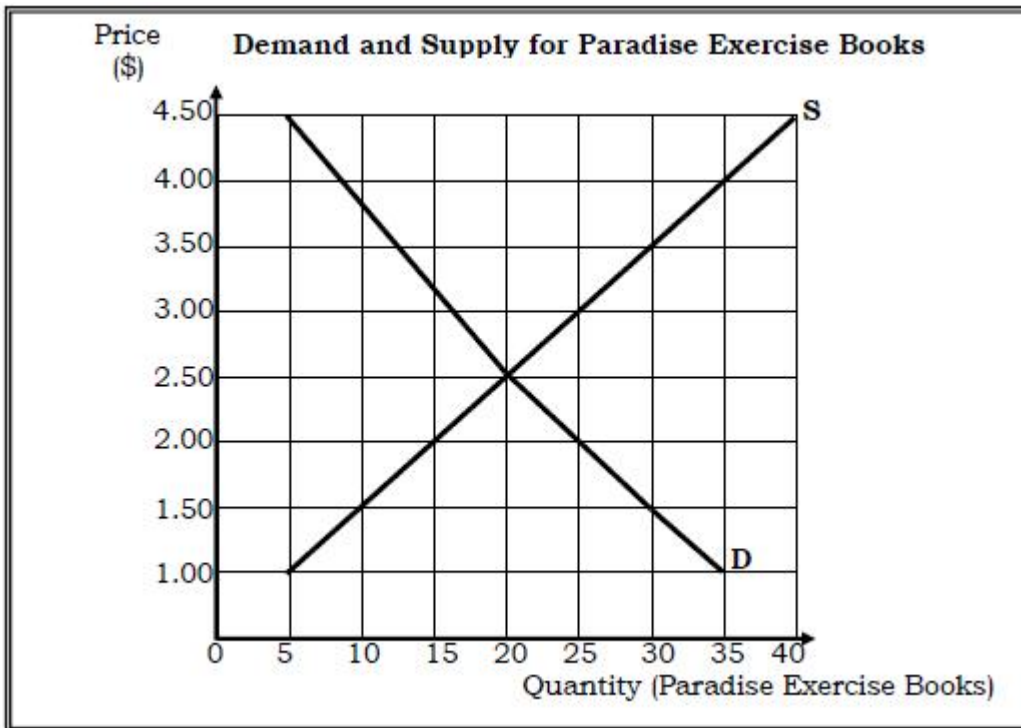
YEAR 11 ECONOMICS

WORKSHEET 8

1) Define the following terms

- a) Demand
- b) Shortage

- 2) Explain two factors that causes an increase in demand.
- 3) Discuss one factor that causes a decrease in quantity supplied.
- 4) Use the graph below and answer the questions that follow.



- i) State the equilibrium price and quantity of paradise exercise books.
- ii) Explain the market situation at the price of \$2.
- iii) Calculate the surplus at the price of \$4.50.
- iii) On the graph above shade the surplus area.
- iv) On the same graph above show the effect of a decrease in demand.