

**SANGAM SKM COLLEGE- NADI**  
**YEAR 13 ECONOMICS**  
**SUPPLEMENTARY WORKSHEET 1- 2021**  
**SOLUTIONS**

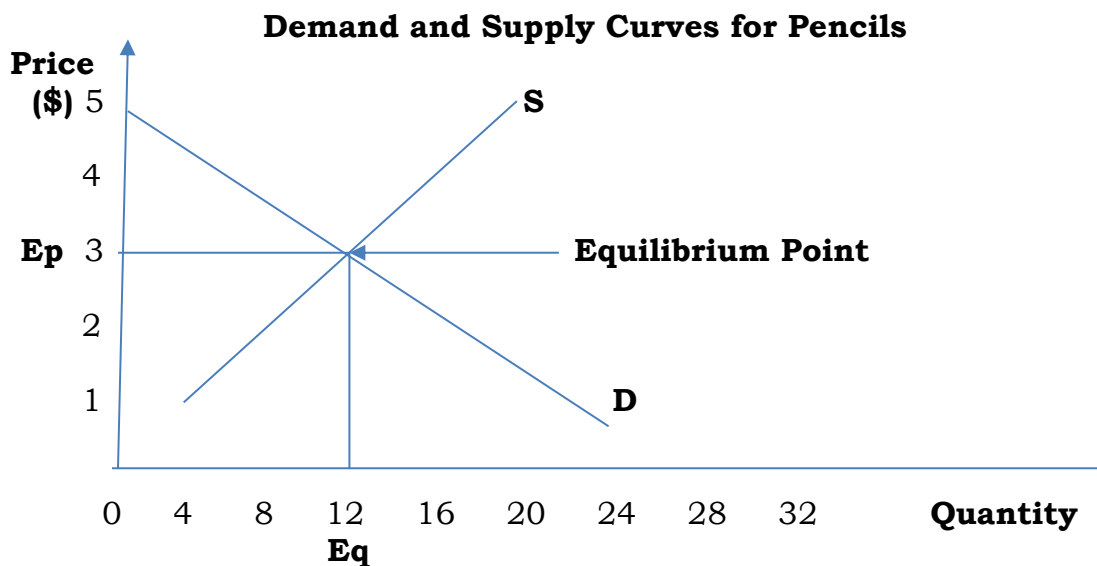
**QUESTION 1**

i.

Equilibrium Price $D=S$ $-6P+30=4P$ $30=10P$ $P=30/10$ <b>Equilibrium Price = \$3</b>	Equilibrium Quantity $D= -6P+30$ $D= -6(3)+30$ $D= 12$ <b>Equilibrium Qty: 12 pencils</b>
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ii. **Demand and Supply Curve****Demand and Supply Schedule**

Price (\$)	Qty Demanded	Qty Supplied
1	24	4
2	18	8
3	12	12
4	6	16
5	0	20



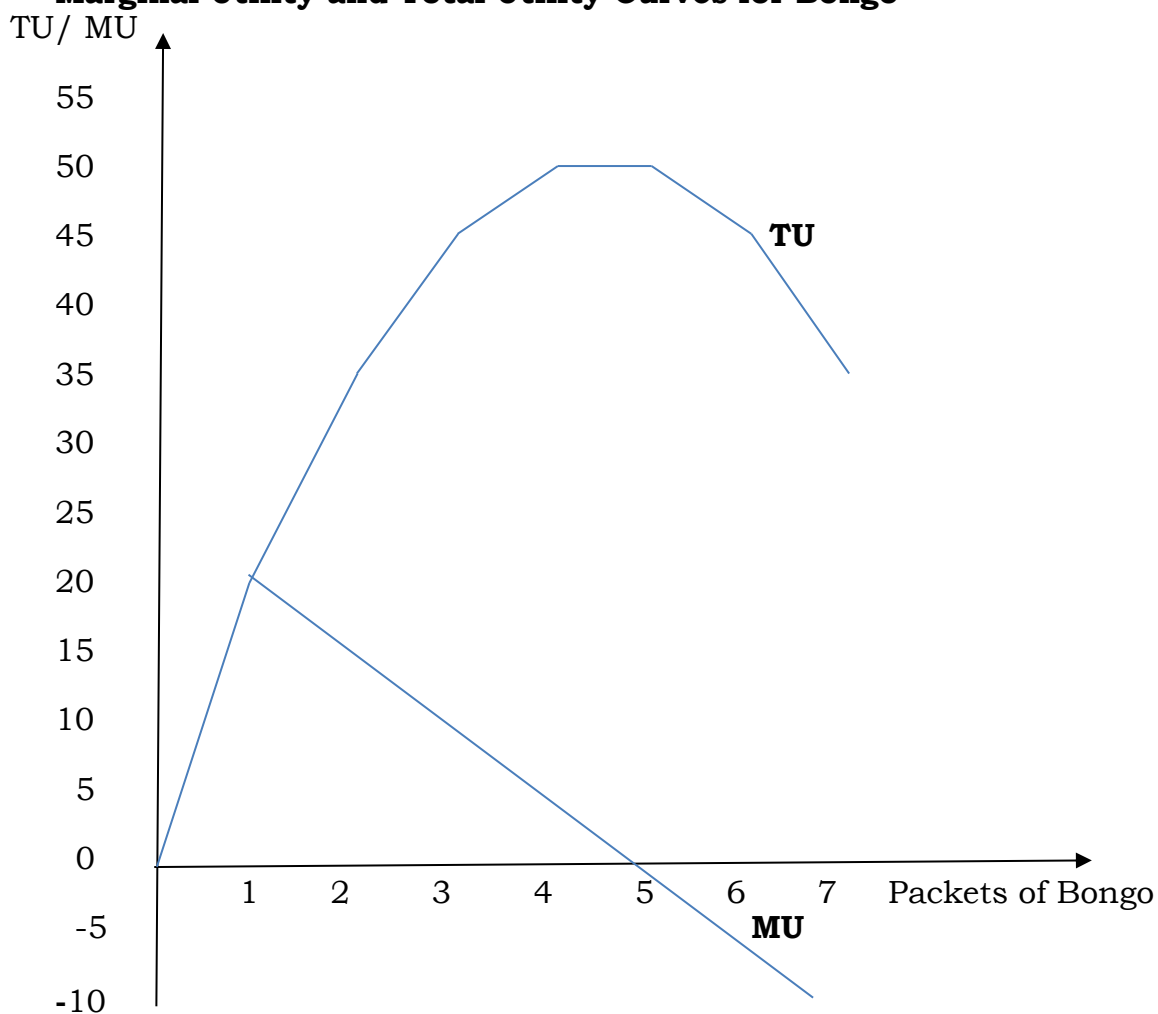
iii. At \$2 there will be a shortage in the market that is demand will be more than the supply. There will be a possibility of black marketing.

iv. **Equilibrium Price and Quantity after subsidy**

Equilibrium Price $D=S$ $-6P+30=4(P+5)$ $-6P+30=4P+20$ $10=10P$ $P=10/10$ <b>Equilibrium Price = \$1</b>	Equilibrium Quantity $D= -6P+30$ $D= -6(1)+30$ $D= 24$ <b>Equilibrium Qty: 24 pencils</b>
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**QUESTION 2****i. Schedule of Total Utility and Marginal Utility**

Packets of Bongo	Total Utility TU	Marginal Utility MU
1	20	<b>(1) 20</b>
2	<b>(2) 35</b>	15
3	45	10
4	50	<b>(3) 5</b>
5	<b>(4) 50</b>	0
6	45	<b>(5) -5</b>
7	35	<b>(6) -10</b>

**ii. Marginal Utility and Total Utility Curves for Bongo****iii. Optimum Purchase Rule:**  $P = MU$ **iv. Consumer Equilibrium**

A consumer is in equilibrium when the utility derived from the last dollar spent on each goods is equal.

v. **Demand Schedule**

<b>Price (Cents)</b>	<b>Quantity (Packets)</b>
5	4
10	3
15	2
20	1

**QUESTION 3**

1.

<b>Number of Labour Employed</b>	<b>Output per Week</b>	<b>MPP</b>	<b>Price of a Product(\$)</b>	<b>MRP</b>	<b>Wages(\$)</b>
1	25	<b>25</b>	<b>30</b>	<b>750</b>	<b>300</b>
2	48	<b>23</b>	<b>30</b>	<b>690</b>	<b>300</b>
3	65	<b>17</b>	<b>30</b>	<b>510</b>	<b>300</b>
4	78	<b>13</b>	<b>30</b>	<b>390</b>	<b>300</b>
5	88	<b>10</b>	<b>30</b>	<b>300</b>	<b>300</b>
6	95	<b>7</b>	<b>30</b>	<b>210</b>	<b>300</b>

2. How many workers should the firm hire?

**5 workers : MR=MC****THE END**

**SANGAM SKM COLLEGE- NADI**

**YEAR 13 ECONOMICS**

**ACTIVITY SOLUTION – WEEK 1**

**ACTIVITIES**

Describe the conditions in the phase of the business cycle as shown in the table. (5 marks)

<b>Indicator</b>	<b>Phase of Business Cycle</b>			
	<b><i>Trough</i></b>	<b><i>Expansion</i></b>	<b><i>Peak</i></b>	<b><i>Recession</i></b>
1. Interest rate	High	Decreases	Low	Increases
2. Consumer confidence	Low	Increases	High	Decreases
3. Business profits	Low	Increases	High	Decreases
4. Consumer spending	Low	Increases	High	Decreases
5. Housing construction	Low	Increases	High	Decreases

**Activities**

1. B
2. Demand for labour comes for demand for goods and services.
- 3.

<b>Occupational Mobility</b>	<b>Geographical Mobility</b>
Cleaners	Accountants
Sugar Cane Cutters	Mechanics
Unskilled workers	Carpenters
	Skilled Workers