

# Year 13 Economics Worksheet 4

## Strand 2 - Microeconomics

### Short Answer Questions

The table below represents Vincentia's Demand for Apollo Cake and Sprint Juice with an income of \$16. Study the information below and answer questions (i) to (v).

Apollo Cake (\$2/slice)				Sprite Juice ( \$4/bottle)			
Quantity	Total Utility	MU	MU <sub>a</sub> /P <sub>a</sub>	Quantity	Total Utility	MU	Mu <sub>s</sub> /P <sub>s</sub>
1	4	4		1	10	10	
2	7		1.5	2	18		2
3	9	2		3	24	6	
4	10		0.5	4	28		1.5
5	10	0		5	30	2	

(i) Define **consumer equilibrium**. **(1 mark)**

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(ii) State the utility maximization rule. **(1 mark)**

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(iii) Complete the table by filling in the missing values in the table above. **(5 marks)**

(iv) Calculate the consumer equilibrium by identifying how many cakes and sprite juice Vincentia will consume to maximise satisfaction.

pieces of Apollo Cake       bottles of Sprite Juice **(2 marks)**

(v) Calculate the total amount of total utility Nancy enjoyed at the level of consumption.

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