

Year 12 Economics Worksheet 2

Microeconomics

(Note: Answer the following questions in your activity book)

A. Matching

Match the definitions given in column **B** against its proper terms in column **A**.

	Column A		Column B
1	Monopoly <input type="text"/>	A	Market with a small number of firms, none of which can influence the other competitors.
2	Perfect competition <input type="text"/>	B	Occurs when many firms compete on product quality, price and marketing.
3	Oligopoly <input type="text"/>	C	Situation where there is exchange of goods and services.
4	Market <input type="text"/>	D	Market in which there is only one seller of a good or service.
5	Monopolistic competition <input type="text"/>	E	Occurs when many firms sell identical products to many buyers.

(5 marks)

B. Graphical Analysis

Use the following table to answer questions (a) to (d) for Jale’s Hamburger Kitchen.

Output (Hamburgers per hour)	Total Cost (Dollars per hour)
0	10
1	21
2	30
3	41
4	54
5	69

Assume that the market price is \$14, calculate the following:

- Profit maximizing output _____ (1 mark)
- Economic profit _____ (1 mark)
- Jale’s shut down point if it temporarily shuts down. _____ (1 mark)
- Derive Jale’s supply curve.



(2 marks)