



Department of Education, Sabaragamuwa/weekly school

week- May - 2

Subject-Economics

Grade-12

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1. What are the factors change in increase in supply of a commodity which sold in competitive market?
2. The information about the good which is sold in market are given below.
 - When price of good X increases by 5%, its quantity demanded increased by 3%
 - The quantity demanded of good X increase by 7.5% due to the increase in price of X.
 - a) Calculate the price elasticity of good X, and cross elasticity for X and Y goods.
 - b) Classify X good, X and Y goods
3. Distinguish between consumer surplus and producer surplus.
4. The demand and supply curves for a good sold in a competitive market are given by the following equation.
5. $Q_d = 500 - 10p$
 $Q_s = -300 + 10p$
 - a) Determine the equilibrium price and quantity for this market by drawing the demand and supply curve in graph paper.
 - b) If the government purchases excess supply at the control price of Rs.45, what is the amount of purchasing expenditure?
 - c) If the government purchase excess supply, what is the amount of consumer surplus?