Department of Education,Sabaragamuwa/weekly school

week- May - 3

Subject-Economics

Prepared by -
Zonal Education Office,Rathnapura.

Grade-12

1. Explain the legal price control policies which impose by the government.

2. The following market demand and supply equations are related to a particular good.
   Qd = 400-15p
   Qs =200-5p

   a) Calculate the consumer expenditure at market equilibrium?

   b) If the government imposes a unit tax as Rs.4.00 on producers,what is the value of loss of consumer surplus?

3. When the government imposes a unit tax on the good which have inelasticity of demand and elastic supply,how does the consumer tax burden and producer tax burden?
   Explain your answer with diagram.

4. What are the assumptions mentioned to define extension of demand?