



Department of Education, Sabaragamuwa/weekly school

week- September 5

Subject-Economics

Grade-12

Prepared by -
Zonal Education Office, Rathnapura.

1. What are the factors required for an effective demand?
2. “When other factors remain constant, the quantity supplied of a product is a positive function of the product’s own price”.
 - (a) Here, What is meant by “other factors”?
 - (b) Why does quantity supplied become a positive function of the price?
3. List down the method of government interventions to a market when the market determined price is unfair for the producers and examine the economic effects of one of such methods.
4. The equilibrium price of a certain product was Rs.50 and the equilibrium quantity was 800 units. At the equilibrium, the value of consumer surplus was Rs.32,000 and the value of producer surplus was Rs.16,000.
 - (a) Outline the market demand and supply curves for this product.
 - (b) The government imposed a unit tax of Rs.12 on this product. Enumerate the following.
 - (i) Enumerate the values of consumer surplus and producer surplus after the tax.
 - (ii) Calculate the government tax revenue.
 - (iii) Measure the excess tax burden.