



Department of Education, Sabaragamuwa/weekly school

week- April 2

Subject-Economics

Grade-12

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1. Mention four main factors influencing change in supply.
2. Explain why the prices of primary products such as agricultural crops are often unstable in a market.
3. What measures could be taken by the government to stabilize the prices of agricultural commodities?
4. The equations relevant to market demand and supply curves for a particular good are given below.

Demand equation :  $Q_D = 200 - 2P$

Supply equation :  $Q_S = -100 + 4P$

- (a) Assume that the government has imposed a unit tax of Rs.6 per unit on the production of this good. What price do buyers pay for the good after the tax?
- (b) How much revenue will the government collect from this tax?