2016 E.C 1st Semester 1st Quarter Economics 3rd Worksheet for grade 10th

Name _____ **Section** _____ **No** _____

I. CHOOSE THE BEST ANSWER FROM THE GIVEN ALTERNATIVES

1. Which one is not true the relationship between total utility and marginal utility
   A. When total utility increase at increase rate, marginal utility also increase
   B. When total utility starts to rise, marginal utility negative
   C. When total utility increase but at decrease rate, marginal utility declined
   D. When marginal utility zero, total utility maximum
2. Which one the following is additional satisfaction received over a given period by consuming one more unit of good is?
   A. Consumer equilibrium B. Total utility C. Marginal utility D. Consumption
3. What does market demand refer to?
   A. Obtained by horizontally summing individual demands at each price
   B. Obtained by horizontally summing individual supplies at market price
   C. Adding horizontally individual supplies
   D. Adding vertically individual demand
4. Kebede, consumes two good A and B, when Kebede, income increase from birr 4000 to 5000, the quantity of good A demand by increase Kebede by 35%. What conclusion do you draw from this?
   A. There is no change in Kebede's demand good curve for both good
   B. Good A must be normal good and good B must be inferior good
   C. Good A must be inferior good and good B must be normal good
   D. Kebede's demand curve for good B shift to right
5. When does quantity demanded of good decrease?
   A. When the price of factor of production decrease
   B. When price of the good increase
   C. When price of the good decrease
   D. When the price of related to the product decrease
6. Which of the following will not cause a shift in the demand curve for good A?
   A. A change in the price of the good A itself
   B. A change in the price of a close substitute for good A
   C. A change in the price of a highly complementary good to A
   D. A successful advertising campaign promoting the use of good A
7. Economists define inferior products as:
   A. Goods that are defective
   B. Goods with a positive income effect
   C. Goods with a negative income effect
   D. Goods for which elastic demand equal to 1

8. Economists use the term utility to mean:
   A. The value of a product before it has been advertised
   B. The contribution that a good or service makes to social cost
   C. The satisfaction that a consumer obtains from a good or services
   D. The value of next best alternative forgone
9. Which of the following shift the supply curve leftward?
   A. An improvement in technology that decreases the cost of production
   B. An increase in number of suppliers
   C. An anticipated drought that will make inputs more expensive
   D. A decrease in price the commodity
10. The basic decision for a supplier is
   A. How much to produce without regard to demand
   B. The amount to offer for sale at various prices
   C. The willingness of consumers to purchase
   D. The ability of consumer to purchase
11. Demand is based on consumer purchase, whereas supply is based on
   A. The ability to purchase C. producers offering products for sale
   B. The willingness to purchase D. none of the above
12. The supply curve is the mirror image of
   A. The law of supply C. The law of demand
   B. The demand curve D. All of the above
13. The quantity supplied increases when
   A. The cost of inputs goes down C. additional firms enter the industry
   B. Taxes go down D. the price of the product goes up
14. The demand curve is
   A. Downward sloping B. Upward sloping C. level D. irregular
15. How does the demand curve respond to an increase in demand?
   A. The curve shifts left C. There is movement along the curve
   B. The curve shifts right D. There is no change in the curve
16. Which of the following would cause a change in quantity demanded of a product?
   A. Changing consumer tastes C. Change in the price of the product
   B. Increasing consumer income D. Change in the price of related products
17. Which one is odd?
   A. Flashlights and batteries C. Phone and SimCard E. None of the above
   B. Camera and film D. All of the above
18. The supply curve is
   A. Upward sloping B. Downward sloping C. level D. irregular
19. A normal good can be defined as one which consumers purchase more of as
   A. Price fall B. Price rise C. Income fall D. Income increase D. All

II. WORK OUT

20. A rational consumer spends all of his/her income on two goods: X and Y. Suppose the last birr spent on X increased his/ her total utility from 60 units to 68 units and the last birr spent on Y increased his/her utility from 25 to 29 utils. If the price of a unit of X is 2 birr, what is the price of a unit of Y at equilibrium?
21. What is the market supply of 100 identical wheat suppliers if the supply function of a typical supplier is Qs= 3p-2? And what is the quantity supplied in the market when price is birr 5?