**SANGAM SKM COLLEGE - NADI**

**YEAR 12 Economics WORKSHEET- 2021**

**Week 4**

**Strand Two: Microeconomics Elasticity**

**1.** Define the different types of elasticity and write down the formulas in the table given below.

|  |
| --- |
| Definition Formula    1.Price Elasticity of Demand  2.Income Elasticity of Demand  3.Cross Elasticity of Demand |

**2. Fill in the Blanks**

Use the words in the box given below to answer the questions given.

**downward; minus; positive , Elasticity; percentage , quantity demanded; price , elastic;1**

**income ; quantity demanded**

1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is the general concept of measuring the responsiveness of one

economic variable to another in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_terms.

2. The price elasticity of demand measures how \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

changes in response to a change in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

3. Since the demand curve slopes \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, elasticity of demand has

a(an)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_sign. However, economist ignore this, and treat it as

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_number

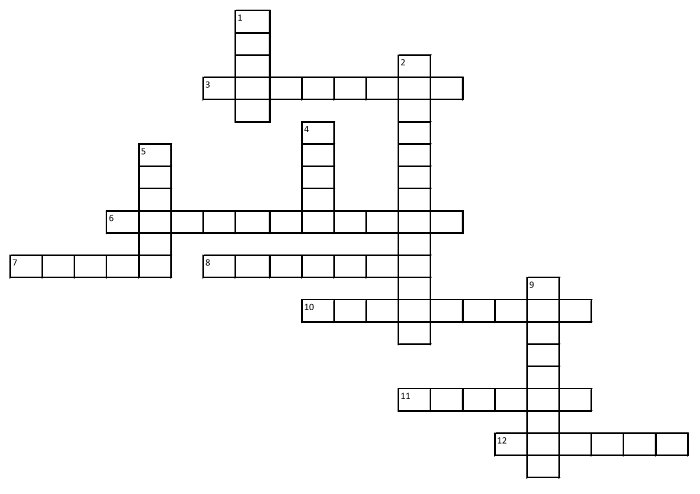
4. Demand is said to be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_when the elasticity of demand is greater

than \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

5. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_ elasticity of demand measures the responsiveness of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_to changes in consumer income, holding other things equal.

3.Complete the given crossword on the topic Elasticity



**Across**

3. As income increases, the demand for this type of good decreases.

6. Goods that can replace one another, such as butter and margarine.

7. The law of demand states that quantity demanded increases as \_\_\_\_\_\_\_\_\_\_\_\_\_decreases.

8.\_\_\_\_\_\_\_\_\_\_\_\_\_\_demanded is the amount of a good or service demanded at a particular

price.

10. Expanding into foreign markets\_\_\_\_\_\_\_\_\_\_\_\_ both the number of buyers and the demand

for goods and services

11.As income increases, the demand for this type of good increases.

12.Being able and willing to buy a good or service.

**Down**

1. Movements \_\_\_\_\_\_\_\_\_\_\_\_\_\_the demand curve illustrate the law of demand.

2. Goods that go together, like tennis rackets and tennis balls.

4. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_in the demand curve can result from the changes in consumer preference,

income, prices of related goods, number of buyers, and beliefs about the future.

5.\_\_\_\_\_\_\_\_\_\_\_\_expectations of price and income can affect the present demand for goods and

services.

9. An outbreak of mad cow disease \_\_\_\_\_\_\_\_\_\_\_\_\_the demand for beef, because consumers

bought less meat.

*(Reference copyright-Council for Economic Education)*