**RATHNAVEL SUBRAMANIAM COLLEGE OF ARTS AND SCIENCE, (AUTONOMOUS), SULUR, COIMBATORE – 641 402 POST GRADUATE AND RESEARCH SCHOOL OF COMMERCE**

**SUBJECT: MICRO ECONOMICS DATE: 28th OCTOBER 2022 TOPIC: SUPPLY FIFTH WEEK: Quiz, Activities (Individual, Group) and Assignments**

**INDIVIDUAL ACTIVITIES**

1. Pakistan’s paper industry is growing. In 2017 there were approximately 100 manufacturing firms producing writing paper, printing paper, wrapping paper and chip board. One well-known firm is Pakistan’s Paper Products Ltd. **a** What effect would a rise in the supply of Pakistan’s Paper Products have on the market supply of paper?

**b** What would cause an extension in the supply of paper?

1. Since 2006, the world production of rice has increased from 600 million tonnes to 748 million tonnes in 2016. This has largely been the result of breakthroughs in seed generation and cultivation techniques.

**a** Draw a diagram showing the change in supply of rice since 2006. **b** Identify two factors that can cause the supply curve for rice to move in the opposite direction.

**GROUP ACTIVITIES**

1. A firm employs ten workers and pays $50 a day to each of them. The total output of ten workers is 100 units initially. The firm then raises the wage rate to $60 a day and the output per worker rises to 20. **a** Showing your workings, calculate: **i** the initial unit cost **ii** the new unit cost. **b** Will supply decrease, stay the same or increase? Explain your answer.

**ASSIGNMENTS**

**DEMAND AND SUPPLY**

**SIMILARITIES: Identify one way in which, each of the following pairs is similar.**

1. A demand curve and a demand schedule
2. Taxes and subsidies

**DIFFERENCES: Identify one way in which, each of the following pairs is different.**

1. Individual demand and Market demand
2. Extension in supply and an increase in supply

**DRAWING DIAGRAMS: In each case, use a demand and supply diagram to illustrate the effect on the market for a newspaper of:**

1. A rise in the price of a rival newspaper
2. A rise in the cost of print
3. A subsidy given to the newspaper producers
4. More people finding news information from the internet
5. A major news story breaking

**QUESTIONS IN SUPPY ONLY**

1. Explain why supply and price are positively related.
2. Analyse, using a supply diagram, the effect of an improvement in the quality of the training car workers receive on the supply of cars.
3. Discuss whether or not changes in demand or changes in supply have a larger influence on the market for tomatoes.