



TAVUA COLLEGE

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WEEKLY HOME STUDY PACKAGE - WEEK 5 (02/08/21 – 06/08/21)

Subject	Commercial Studies	Year/Level	9
Strand	3: Economy		
Sub-strand	Microeconomics		
Content Learning Outcome	<ul style="list-style-type: none"> Define term equilibrium Construct the demand and supply curve using the demand & supply schedule. Identify the equilibrium price & quantity. 		

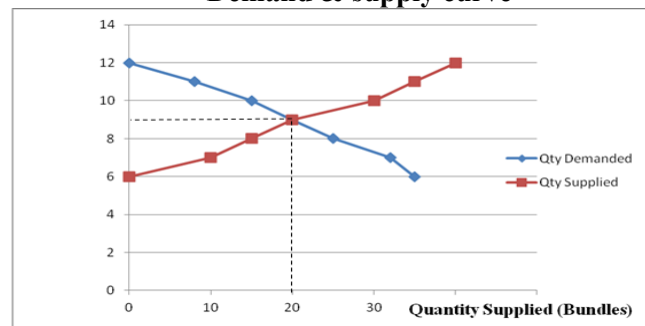
LESSON NOTES

Equilibrium price & quantity- is the price at which the market quantity demanded equals the quantity supplied. $Q_s = Q_d$

Demand & supply schedule

Price per bundle \$	Qty Demanded	Qty Supplied
12	0	40
11	8	35
10	15	30
9	20	20
8	25	15
7	32	10
6	35	0

Demand & supply curve



Equilibrium price- \$9

Equilibrium quantity- 20 bundles

- The point where the demand and supply curve meet that is the equilibrium point.
- At any price above \$9 there will be an excess supply resulting in surplus
- At any price below \$9 there will be an excess demand resulting in shortage.

Activity

- Define the term equilibrium.

(1 mark)

- Use the following demand & supply schedule to contrast the demand & supply curve.

Price [cents]	Quantity Demanded: Cabbage in Bundles	Quantity Supplied: Cabbage in Bundles
90	30	70
80	38	65
60	40	60
40	45	55
30	50	50
20	55	45
10	60	40
0	65	0

- Draw and label the demand and supply curves on a pair of axes.
- State the equilibrium price and the equilibrium quantity.

(3 marks)

(2 marks)