

EC107

Economics 1

Term 1

In-Class Questions

Week 9 Support and Feedback Class

Unit 8

Supply and Demand; Price-taking & Competitive Mkts

In-Q8.1: Explain why the supply curve of a price-taking firm is given by its marginal cost curve.

In-Q8.2: Represent the competitive market-clearing equilibrium in a diagram and show the extent of total economic surplus.

In-Q8.3: What is the likely impact of a tax in a competitive market?

In-Q8.4: With the use of a diagram, show how the incidence of a tax depends on the elasticities of supply and demand.

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Following your Class meeting of Week 9, you should ensure that you are able independently to be able to produce clear and comprehensive answers to these questions. To support you further in this, you should use all the resources available to you on the module, including:

Lecture Videos and Slides; the online textbook CORE: The Economy; the peer-support Forum for Unit 8; the Feedback on In-Class Questions for Unit 8; the FAQs resource. All of these resources are clearly linked on the module Moodle page.

Professor Robin Naylor