



SECOND QUARTERLY ASSESSMENT
APPLIED ECONOMICS 12
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Name: _____

Score: _____/70

Grade and Section: _____

Date: _____

I. Identification. Using the word pool, write the letter of the correct answer that best describes each number. (15 points)

a. Customer	f. Market	k. Cooperative
b. Suppliers	g. SWOT Analysis	l. Perfect Competition
c. Partnership	h. Market Structure	m. Sole Proprietorship
d. Imperfect competition	i. Oligopoly	n. Monopolistic Competition
e. Competition	j. Monopoly	o. Corporation

____ 1. Refers to the organizational and other characteristics of a market, including the number and size of firms, the extent of product differentiation, the ease of entry and exit, and the degree of competition.

____ 2. Refers to the rivalry among sellers trying to achieve such goals as increasing profits, market share, and sales volume by varying the elements of the marketing mix: price, product, distribution, and promotion.

____ 3. Is a place where buyers and sellers come together to engage in the exchange of goods or services, often facilitated by the price mechanism.

____ 4. Is a market structure in which a large number of small firms sell identical products to many buyers, there are no barriers to entry, and sellers and buyers are fully aware of all the relevant information about prices, product quality, and production techniques. .

____ 5. Refers to any market structure that is not perfectly competitive. It encompasses monopoly, monopolistic competition, and oligopoly.

____ 6. Is a market structure in which a single firm is the sole seller of a product or service for which there are no close substitutes.

____ 7. A market structure characterized by a large number of firms selling similar but not identical products.

____ 8. Is a market structure in which a small number of firms dominate the market.

____ 9. It is the simplest form of business organization, and the owner has unlimited liability for the business's debts.

____ 10. Condition wherein it shares the firm's profits, losses, and decision-making responsibilities.

____ 11. Is a legal entity that is separate and distinct from its owners. It is owned by shareholders, who have limited liability for the corporation's debts.

____ 12. Is a business owned and operated for the benefit of those using its services. Members, who may be customers or employees, own and control the firm.

- ___ 13. It is used to assess the internal and external factors that may impact the organization's performance.
- ___ 14. Are individuals or businesses that provide goods or services to other businesses.
- ___ 15. Are individuals or entities that purchase goods or services from a business.

II. True or False. Write TRUE if the statement is correct and FALSE, if otherwise. (15 points)

- ___ 16. Firms which is the basic Consuming Unit, makes use of goods and services which are available in the economy.
- ___ 17. Agriculture is the sector that processes raw materials into intermediate products which are further processed into final products.
- ___ 18. Intermediate products are unprocessed goods like raw minerals, logs, and wheat, they are materials extracted from their sources. .
- ___ 19. The Industrial Sector produces intangibles supporting and complimenting production in other sectors as well as among its own industries .
- ___ 20. Market refers to the competitive environment in which buyers and sellers operate.
- ___ 21. Market Target refers to the group of customers the business aims to cater to.
- ___ 22. Medium Business is one with total assets worth from 1,500,501 to 15,000,000.
- ___ 23. The Output refers to the resources used to produce goods and services.
- ___ 24. Imports are domestically produced goods sold to a foreign country.
- ___ 25. Partnership is a business owned by a single individual.
- ___ 26. Input refers to the product created as a result of a combination of outputs in the production process.
- ___ 27. General partnership has partners that have no equal responsibility and liability sharing.
- ___ 28. Utility refers to the use of goods and services to satisfy human wants.
- ___ 29. Competitor is an act or process of trying to get or win something over one's rivals.
- ___ 30. Corporations are owned and operated by a group of individuals for their shared benefit.

III. SWOT Analysis. Read through the case study. Write down all the strengths, weaknesses, opportunities, and threats (3 for each) you can think of in relation to the Snoozy Inn. (20 points)

31. – 40. The Snoozy Inn is a 40-unit, no-frills operation in the less scenic part of a major Queensland resort town. The owner, Mr. Smith, firmly believes that there is a need for his style of low-cost family accommodation amid the luxury and beauty of the area. His rooms are large, family-style rooms (there is no television, for example). Although there is plenty of room for future expansion, the grounds are fairly bare with a bit of landscaping, but mostly grass.

Mr. Smith can serve breakfast to the rooms and provides tea-making facilities. There are now a lot of good restaurants and take-aways in the area. Mr. Smith's prices are less than half of what similar motels charge and only a fraction of what the big five-star properties are charging. And, really, he isn't all that far away from the beach, shops and other attractions.

The problem is occupancy. He has some regulars who come every holiday period (and have been doing so for the four years he has owned the property). Overall, occupancy is about 50% year-round and he knows from the local tourist office that the other properties average around 68% occupancy year round. New developments could mean trouble. This lack of occupancy can be quite frustrating for Mr. Smith. Cars pull in, drive around the parking areas, and then drive away.

Currently Mr. Smith does very little advertising in local district guides and the holiday papers, mainly because he really thinks word-of-mouth is the best form of advertising. He is a member of the local tourist committee, but is too busy to go to meetings. However, he does receive the local statistics and knows the average stay in the area is 3.8 nights, and that local families and couples and increasingly overseas visitors are his potential customers.

He's not desperate yet, but he's getting worried and disillusioned. He thought he would be overrun with guests, but that hasn't happened. (10 points)

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

41. - 50. Make a simple drawing that tackles how the Law of Diminishing Marginal Utility and Law of Diminishing Marginal Returns works and explain. (10 points).

LAW OF DIMINISHING MARGINAL UTILITY	EXPLANATION:
LAW OF DIMINISHING MARGINAL RETURNS	EXPLANATION:

IV. Essay. Answer the following in 3 – 5 sentences. (20 points)

51. – 54. Explain the simple flow of Goods and Services in the Circular Economic Activity above. (4 points)



55. – 58. As a student, how do you decide on the right price when purchasing an item? Cite 2 concrete examples. (4 points)

59. – 62. Choose 2 of the 3 reported types of Analysis and compare them. Indicate at least 2 advantages and disadvantages. (4 points)

63. – 66. If you are to establish your own business and would like to learn the industry that you are about to enter, which one will you use, a SWOT analysis or Environment Analysis? Why? Provide a concrete example of which one you will use. (4 points)

67. – 70. Out of the lessons we discussed, choose 1 topic and explain its importance. Cite an example that proves it is important. (4 points)

***** END OF EXAM *****