

CANADIAN ECONOMY 2203

Learning Outcomes

UNIT II (Chapter 5: pp. 94-118)

Topic: Elastic and Inelastic Supply and Demand

Students will be expected to demonstrate and understand the Economic interdependence of elasticity upon Supply and Demand, including the following delineation's:

- define and explain the economic concept of the elasticity and inelasticity of demand.
- understand the relationship between the factors effecting demand elasticity and the factors affecting supply elasticity.
- understand the relationship between elasticity and the slope of demand and supply curves as well as a unitary demand curve.
- understand and be able to apply the Utility Theory.
- understand “Adam Smith’s Paradox” and how the consumer surplus attempts to solve the paradox.
- define and explain terms in ‘Understanding of Key Terms’ on page 115.
- be able to discuss and understand the implication of Government intervention in markets:
 - ceiling prices
 - floor prices
 - subsidies
 - quotas
 - rent control
 - minimum wages
- Students should be able to answer the following questions in the text:
 - Page 97: 1, 2, 3, 4, 5
 - Page 101: “Check Your Understanding” #1a and b; Page 101- 1a) to 1f)
 - Page 105: 1, 2, 3
 - Page 110: 1, 2, 3
 - Page 113: 1, 2, 3
 - Page 114: 1 a, b, c
 - Page 116: 9, 10
 - Page 117: 11, 12

For further information, students and/or parents may visit the Newfoundland and Labrador Department of Education web site at