**IBDP ECONOMICS PAPER 3 DATA BOOKLET**

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| **1** | Linear Demand Function: Qd = a –bP |
| **2** | Linear Supply Function: Qs = c – dP |
| **3** | Equilibrium: Qd = Qs; a –bP = c – dP |
| **4** | = / = x 100 |
| **6** | = / = x 100;    XED<1 = Positive sign tells us that goods are Complementary  XED>1 =Negative sign tells us that goods Substitutes |
| **8** | = / = x 100 ;  YED >1 = Normal goods ; right ward shift of demand curve  YED <1 = Necessities or inferior goods; leftward shift of demand curve |
| **11** | = / = x 100 |
| **13** | **Tax**:Qs = c – d(P-t)  **Consumers Surplus:**  Revenue before tax = x Qe  Revenue after tax =  Consumption expenditure = P X Q  **Producers Surplus:**  Revenue before tax = x Qe  Revenue after tax =  Producers Revenue = P X Q  Welfare Loss =  Tax incidence on consumers = Pc – Pe x Qt  Tax incidence on Producers = Pe – Pp x Qt  PED <1 = Consumers Pay, PED > 1 = Producers Pay  PES >1 = Consumers pay , PES >1 = Producers Pay |
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|  | **Subsidies**: c – d(P+ Sb)  **Consumers Surplus:**  Revenue before Subsidy = x Qe  Revenue after Subsidy =  Consumption expenditure = P X Q  **Producers Surplus:**  Revenue before Subsidy = x Qe  Revenue after Subsidy =  Producers Revenue = P X Q  Total Social Benefit = |
| **14** | **Price Ceiling**  **E**xcess demand = Shortage = Qd –Qs  Change in consumption expenditure = ΔCE = Pe x Qe – Pc x Qs  Change in Producers Revenue = ΔPR = ΔCE |
| **15** | **Price Floor**  Excess Supply = Surplus = Qs - Qd  Change in consumption expenditure = ΔCE = Pe x Qe  before price floor = P1 x Qs after price floor  Change in Producers Revenue = ΔPR = ΔCE  Government expenditure Pf x (Qs – Qd)  Government expenditure = Total producers revenue – total consumption expenditure  Excess supply of Labour = Qd < Qe |
| **17** |  |
| **19** | TC = TFC + TVC |
| **20** | TR = P x Q |
| **21** | Profit = TR – TC ; TR > TC = Supernormal profit; TR<TC = Loss; TR = TC = Break – even point |
| **22** | MC = AVC = Shut-down price |
| **23** | Revenue maximisation TR maximum = MR = 0 |
| **25** | *GDP = C+I+G+X-M GDP per-capita*  *NDP = GDP – depreciation*  *Green GDP = GDP – the value of environment degradation*  *GNI or GNP = GDP + Income earned from abroad – income sent abroad*  *GNI = GDP + Net Income from abroad*  *GDP deflator = x 100*  *Real GDP = x 100* |
| **26** | *Income method, expenditure method, output method*  *Injections (J) = C + I + G + X ;*  *Withdrawals (W) or Leakages (L) = C + S + T + M* |
| **27** | = =  K = |
| **28** | Unemployment Rate = x 100 |
| **29** | Real national Income x 100  Rate of inflation = x 100  x 100 |
| **30** | Weighted price index x 100 = rate of inflation |
|  | % change in real GDP x 100  % change in real GDP per capita x 100 |
| **32** | Average rate of tax  Marginal rate of tax |
| **33** | Opportunity Cost |
| **34** | **Tariffs**  Domestic supply = Pworld x 0 – Q1  Greater revenue = Pw + tariff x 0 – Q3  Increase in production = a+b+C+g+h  Foreign production before tariff (imports M) = Q1 – Q2  Revenue = h +I + j + k  Domestic production after tariff QD falls – M imports fall Q3 –Q4  Import revenue M = d + e  Consumers pay higher prices Pw + tariff,  demand falls = 0 – Q2 to 0 – Q 4 |
|  | **Quotas** Domestic producers after Quota earn = a+f  Foreign producers revenue = b + g + h  Foreign producers before quota = b + c + d + e  Consumers pay lower price Pw and buy 0 – Q2  Government dead weight loss = j + k  Loss of consumers surplus = k |
|  | **Subsidy** Domestic producers earn = a  Foreign producers earn = b + c + d  Subsidy increases supply 0 – Q3  Foreign supply decreases Q3 – Q2  After subsidy  Domestic revenue = a + b + e + f + g  Foreign revenue = c + d  Government expenditure = e + f +g  Domestic production = Q1 – Q3  Inefficiency = g = resources misallocated |
| **35** | **Exchange Rate of foreign currency** |
| **37** | Current account + Capital account + financial account + change in forex assets = 0  Current account – (capital account + financial account + Δ in reserves |
| **38** | **Terms of Trade**  Total export revenue = average Px X Qx  Total Import expenditure = average Pm X Qm |