Worksheet 4: Formulas list answers

The economic problem

Economic term	Formula
PED =	% change in quantity demanded / % change in price
PES =	% change in quantity supplied / % change in price
Labour productivity =	Total output / Number of workers
Total cost =	(Total) Fixed cost + (Total) Variable cost
Total variable cost =	Average variable cost × Output
Average total cost =	Total cost / Output
Average variable cost =	Total variable cost / Output
Average fixed cost =	Total fixed cost / Output
Total revenue =	Selling price × Quantity sold
Average revenue =	Total revenue / Output
Profit =	Total revenue − Total cost
Total tax revenue =	Tax per unit × Quantity traded
Total subsidy payment =	Subsidy per unit × Quantity traded
(real) GDP per head =	(real) GDP / Population
Labour force =	Number of employed + Number of unemployed
Unemployment rate =	(Number of unemployed / Labour force) × 100
Weighted price index =	(weight × price index)