

3 What distinguishes the very long run from the long run?

- A the ability to change resource allocation
- B the ability to change the state of technology
- C the absence of government market intervention
- D the existence of variable factors of production

4 Which statement is a positive statement?

- A The distribution of income and wealth in most western European countries is unequal.
- B The government ought to increase income tax on high earners.
- C There should be more legal rights given to workers to protect their status in the workplace.
- D Wages of those on low incomes should be increased.

5 What could **not** cause a shift in an individual's demand curve for good Z?

- A a change in advertising expenditure on Z
- B a change in the individual's income
- C a change in the individual's tastes
- D a change in the price of Z