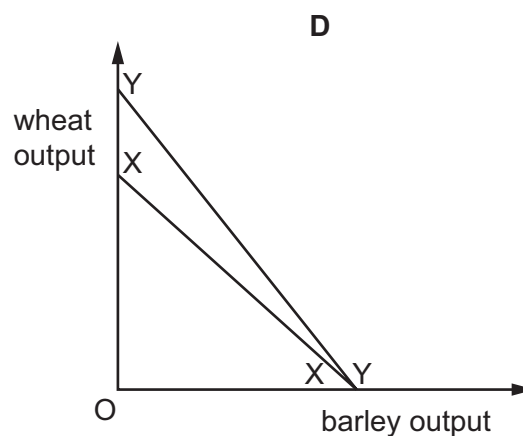
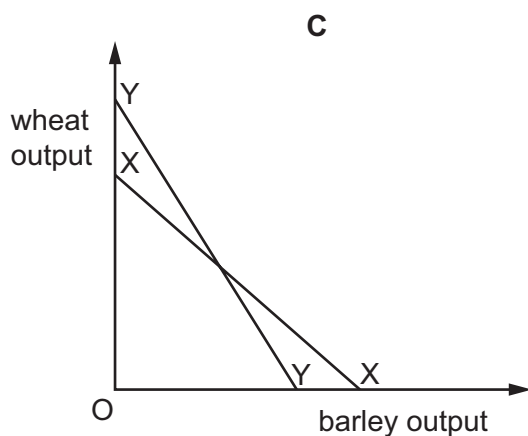
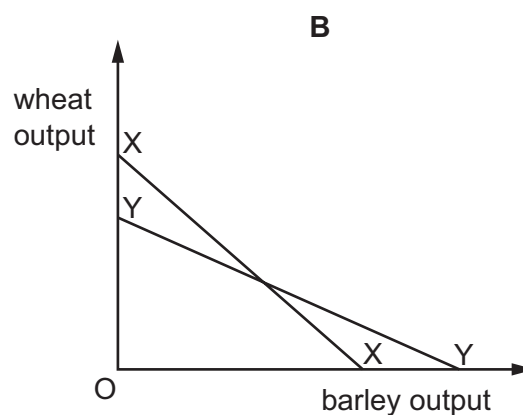
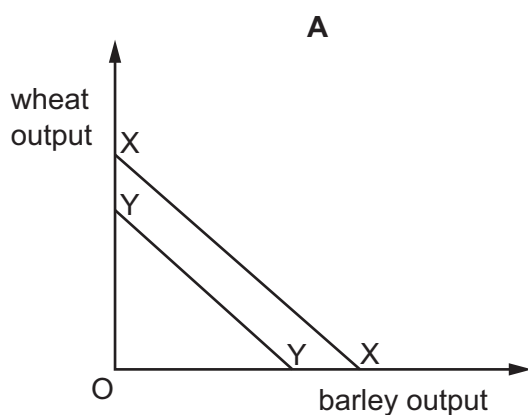


- 1 What will result from a government's decision to allow health care to be provided entirely by market forces?
 - A There will be a reduction in the provision of a public good.
 - B All consumers will receive better health care.
 - C Market failure will be eliminated in the health care market.
 - D The health care market will reach an equilibrium.

- 2 A farmer with a fixed area of land grows two crops, wheat and barley. Some land used for barley is flooded and cannot be used. The farmer then starts to plant genetically modified (GM) wheat that produces wheat more efficiently on the land that is not flooded.

Which diagram shows the **most** likely effect of these changes on the farmer's production possibility curve (PPC) as it moves from XX to YY?



- 3 What would make online payment methods less acceptable as a medium of exchange?
 - A a fee charged for use of the online payment service
 - B both high and low priced goods can be paid for using the online service
 - C payments can be made at any time of day and night
 - D the online payment service can be accessed through a smartphone