

- 1 A driver makes the following estimates in considering the purchase of a car which she intends to use only when she would otherwise have used public transport.

	\$
purchase price of car	6000
value of car after one year	4500
car operating and repair costs, insurance and taxation for one year	1800
cost of using public transport for one year instead of travelling by car	800
potential earnings after tax on \$6000 invested for one year	500

What will be the opportunity cost in monetary terms to the driver over the year of travelling by car rather than by public transport?

- A** \$1500 **B** \$3000 **C** \$3700 **D** \$7800

- 2 The transition of centrally planned economies to market economies was accompanied by a significant change in the composition of output.

What was an immediate consequence of this transition?

- A** a build-up of unsold stocks of goods
B an increase in exports of goods
C an increase in structural unemployment
D decreasing prices of goods and services