

- 1 What would be an opportunity cost of growth in an economy?
- A the faster growth of services than of manufacturing
 - B the need for an increased level of imported raw materials
 - C the need for greater government intervention
 - D the reduction of consumption if growth requires investment
- 2 A1..... economic statement is an objective statement that2..... be tested using factual evidence, whereas a3..... economic statement is a subjective statement that4..... be tested using factual evidence.

Which words complete gaps 1, 2, 3 and 4?

	1	2	3	4
A	normative	can	positive	cannot
B	normative	cannot	positive	can
C	positive	can	normative	cannot
D	positive	cannot	normative	can

- 3 What would most likely be considered an advantage by producers and a disadvantage by consumers of the operation of a planned economy?
- A a bureaucratic system of decision-making
 - B a government emphasis on the production of capital goods
 - C a long response time to changing economic events
 - D an absence of financial incentives to work and to produce