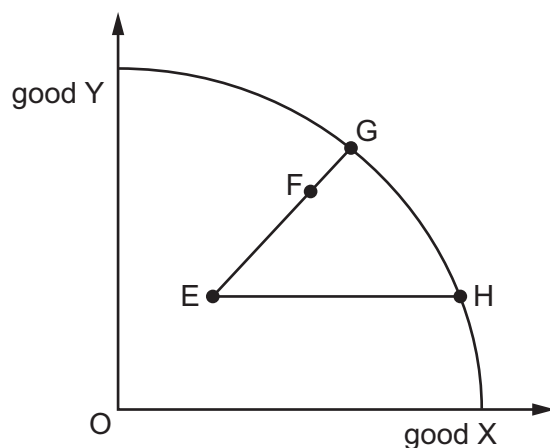


- 1 What is **not** an example of a public good?
 - A education
 - B flood control systems
 - C national defence
 - D street lighting

- 2 The diagram shows a production possibility curve for an economy that produces two goods, X and Y.



When will the opportunity cost of producing more of good X be the largest?

- A moving from point E to point F
 - B moving from point E to point G
 - C moving from point E to point H
 - D moving from point G to point H

- 3 Which activity illustrates the consumption of a 'free' good?
 - A a farmer using water taken from a river
 - B a patient visiting a medical facility provided by a charity
 - C a person breathing air in the countryside
 - D a person eating their birthday cake given as a gift by a friend

- 4 What is essential to eliminate scarcity?
 - A the existence of sufficient resources to meet all needs and wants
 - B producers consistently produce in excess of demand
 - C the government has a surplus budget
 - D there is equilibrium in all markets