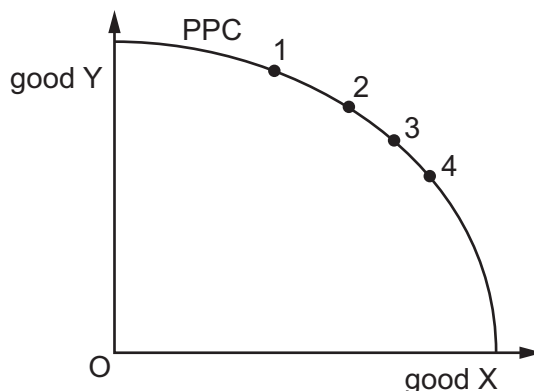


- 1 PPC is the production possibility curve in country T.



Which changes take place in country T's opportunity costs of producing X as it increases production of X?

- A Opportunity costs are constant between points 1 and 2, and between points 3 and 4.
  - B Opportunity costs decrease between points 1 and 2, and increase between points 3 and 4.
  - C Opportunity costs decrease between points 1 and 2, and between points 3 and 4.
  - D Opportunity costs increase between points 1 and 2, and between points 3 and 4.
- 2 What is considered the essential requirement for all entrepreneurs?
- A attracting customers
  - B buying stock
  - C managing staff
  - D taking risks
- 3 A new section of a road is provided toll-free by the government.

What best describes this good?

- A a demerit good
- B a free good
- C a private good
- D a public good