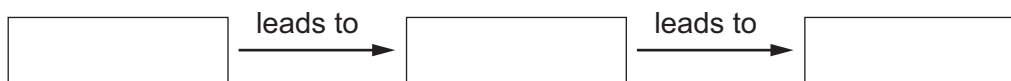
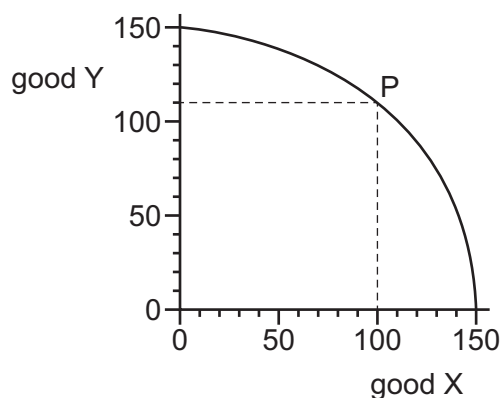


- 1 The diagram is from a chapter on 'The Economic Problem' in an Economics textbook. It should contain the terms *opportunity cost*, *scarcity* and *choice* in the order that identifies the economic problem.



What is the correct order for the terms to appear in the diagram?

- A choice → opportunity cost → scarcity
 - B choice → scarcity → opportunity cost
 - C scarcity → choice → opportunity cost
 - D scarcity → opportunity cost → choice
- 2 What is most important for the effective operation of the division of labour in a modern economy?
- A a supply of money
 - B finance from the government
 - C highly qualified entrepreneurs
 - D integrated transport systems
- 3 The diagram shows a production possibility curve for an economy that is producing at point P.



Which quantity of X is given up to produce the quantity of Y shown?

- A 40
- B 50
- C 100
- D 110