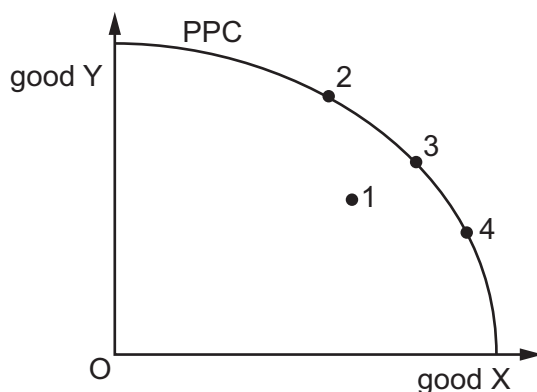


- 1 What will help solve the basic economic problem?
  - A the control of the market system
  - B the efficient allocation of scarce resources
  - C the preservation of a healthy environment
  - D the elimination of hunger
- 2 Country Z operates with a production possibility curve (PPC). Currently, output is at combination 1.



Which movement has zero opportunity cost in terms of the goods produced?

- A 1 to 2
  - B 1 to 3
  - C 2 to 3
  - D 3 to 4
- 3 A country's health care is funded by taxation but can be used free of charge by patients.  
Which type of good is health care in this country?
  - A demerit good
  - B free good
  - C private good
  - D public good
- 4 What is **least** likely to increase as a result of a transition from a planned economy to a free market economy?
  - A prices of goods and services
  - B privately owned resources
  - C provision of merit goods
  - D structural unemployment