

1 What is correct for a normative statement?

- A It is objective and based on fact.
- B It is objective and can be proved correct.
- C It is subjective and based on opinion.
- D It is subjective and can be reliably tested.

2 What does a production possibility curve show?

- A the maximum output that can be produced by a firm in a year
- B the maximum output that can be produced per worker per year in the economy
- C the maximum output that could be exported from a country
- D the maximum output of two or more goods in an economy from a given amount of inputs

3 In Zimbabwe there was hyperinflation.

Which two functions of money might the Zimbabwe dollar be **most** likely to have still performed during this hyperinflation?

- A medium of exchange and store of value
- B standard for deferred payments and unit of account
- C store of value and standard for deferred payments
- D unit of account and medium of exchange