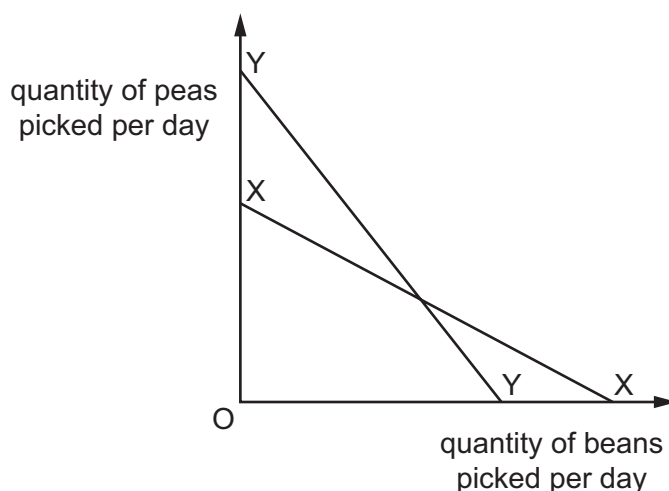


- 1 Scarcity means that goods need to be rationed between competing consumers.

Which basis for rationing is the most likely to result in the most equal distribution of goods?

- A consumer preference
 - B market price
 - C political decision
 - D seller preference
- 2 In which aspect is the planned economy likely to offer more than the market economy?
- A competition
 - B incentive
 - C innovation
 - D security
- 3 Line XX is the production possibility curve (PPC) of a worker picking peas and beans in a 10 hour working day.



What would cause the worker's PPC to shift to the line YY?

- A a machine that increases the worker's pea picking productivity only
- B a new work schedule where the worker spends 6 hours per day picking peas and only 4 hours picking beans
- C a reduction in working hours to 8 per day and a machine that increases the worker's pea picking productivity
- D a reduction in working hours to 8 per day only