

- 1 The diagrams show the change in a country's production possibility curve between Year 1 and Year 2.



What can be deduced from the diagrams?

- A** Future growth prospects have been harmed.
 - B** The level of unemployment has fallen.
 - C** The opportunity cost of consumer goods has risen.
 - D** The proportionate growth in production is greater in consumer goods.
- 2 Which statement about trade unions is normative?
- A** Since trade unions exist to safeguard the interests of their members, they deserve the legal protection of the state.
 - B** In countries where trade unions are strong, income distribution is more equal.
 - C** Uneven trade union membership has resulted in a widening of the wage gap between different industries.
 - D** In industries where trade unions are powerful, technical progress tends to be much slower.
- 3 A worker can make 10 hats or 5 pairs of shoes in a day. In the market three hats can be sold at the same price as two pairs of shoes.

The worker should make

- A** 4 hats and 3 pairs of shoes daily.
- B** 6 hats and 2 pairs of shoes daily.
- C** hats only.
- D** shoes only.