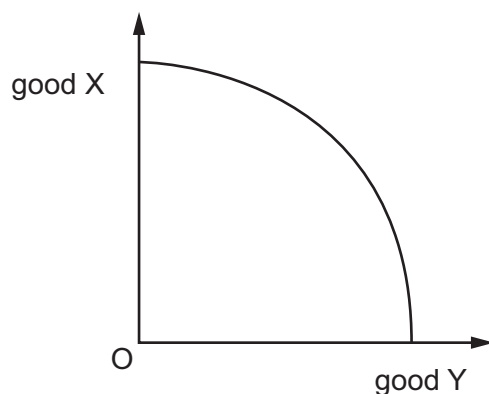


- 1 The diagram shows a production possibility curve.



What can be deduced from the shape of this curve?

- A decreasing marginal returns to consumption
 - B decreasing opportunity costs of consumption
 - C increasing opportunity costs of production
 - D increasing returns to scale
- 2 Which statement is correct?
- A Private goods are both non-rival and non-excludable.
 - B Private goods are only provided by the private sector.
 - C Public goods are both non-rival and non-excludable.
 - D Public goods do not incur opportunity costs.
- 3 Below are two statements.
- 1 A rise in the price of rice is the best way to give farmers in South-East Asia higher living standards.
 - 2 A rise in the price of rice will lead to a fall in demand.

Which row correctly describes these two statements?

	1	2
A	normative	normative
B	normative	positive
C	positive	normative
D	positive	positive