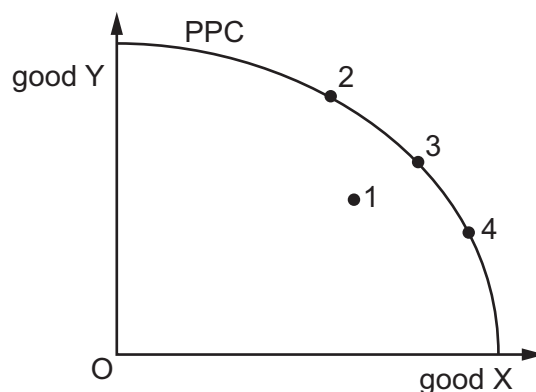


- 1 What will help solve the basic economic problem?
 - A the control of the market system
 - B the efficient allocation of scarce resources
 - C the preservation of a healthy environment
 - D the elimination of hunger
- 2 Country Z operates with a production possibility curve (PPC). Currently, output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