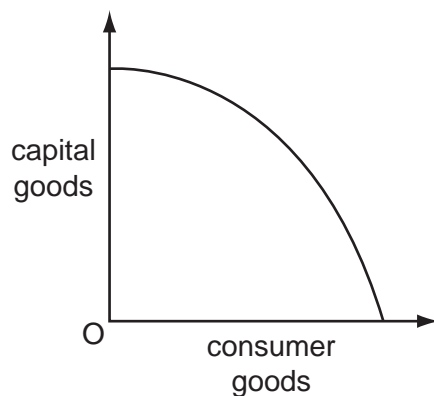


1 What are most likely to be disadvantages found in a market economy?

- A economic growth and state-owned companies
- B merit goods and free competition
- C public goods and economic specialisation
- D unemployment and external costs

2 The diagram shows the production possibility curve of an economy.



Which statement explains the shape of this curve?

- A More efficient workers are drawn away from the production of consumer goods.
- B Resources cannot be switched between producing capital and consumer goods.
- C The economy is more efficient at producing capital than consumer goods.
- D The opportunity cost of producing capital goods increases the more capital goods are made.

3 What is a correct statement about money?

- A Its functions mean the characteristics that it possesses.
- B Its liquidity means its use as legal tender.
- C Its supply means the total value of banknotes in circulation.
- D Its value means its purchasing power.

4 What might shift an individual's demand curve for petrol to the left?

- A a fall in the price of parking
- B a fall in the price of petrol
- C a rise in the price of cars
- D a rise in the price of public transport