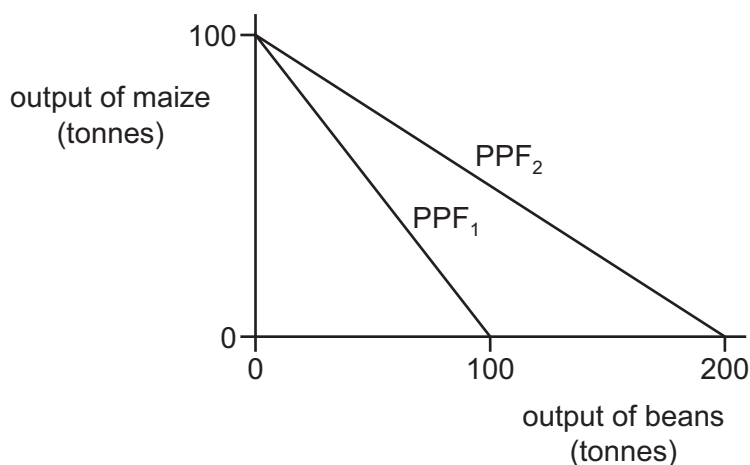


- 1 What must follow when scarcity exists?
 - A Consumers have to make choices.
 - B Governments are unable to supply public goods.
 - C Producers must be misallocating resources.
 - D Workers must be earning low wages.

- 2 What is likely to be introduced in the market for bus travel if an economy moved from a mixed economy to a market economy?
 - A allowing companies to bid for bus routes
 - B free bus travel for school children
 - C maximum prices for bus travel
 - D subsidies to bus operators

- 3 The diagram shows that the production possibility frontier of maize and beans has changed from PPF_1 to PPF_2 .



What has happened to the opportunity cost of maize and the returns to factors producing beans?

	opportunity cost of maize	returns to factors producing beans
A	fallen	fallen
B	fallen	risen
C	risen	fallen
D	risen	risen