

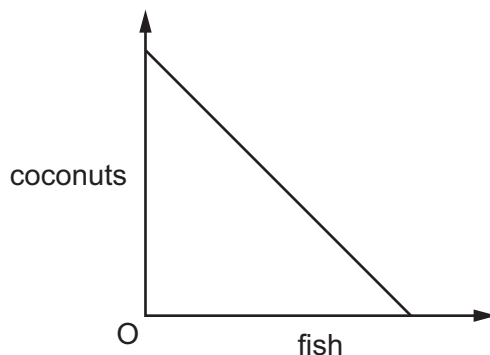
- 1 In 2013, there was much criticism of a government project to build a new high-speed rail link between two cities.

What is the most likely reason for abandoning such a project?

- A The construction cost is greater than the running cost.
 - B The external cost is greater than the external benefit.
 - C The future costs are difficult to calculate.
 - D The opportunity cost is too high.
- 2 The transition of the former Soviet Union from a planned economy towards a market economy was accompanied by a reduction in the proportion of incomes that households saved.

What could explain this?

- A an increase in income inequality
 - B an increase in job insecurity
 - C increased availability of consumer goods
 - D the introduction of charges for hospital treatment
- 3 The diagram shows the production possibility curve of a desert island economy where the inhabitants live off just two commodities, coconuts and fish.



What explains the shape of the production possibility curve?

- A Coconuts and fish are in joint demand.
- B Coconuts and fish are perfect substitutes when consumed.
- C Fishing and coconut growing are equally efficient.
- D The opportunity cost of fish falls as more time is devoted to fishing.