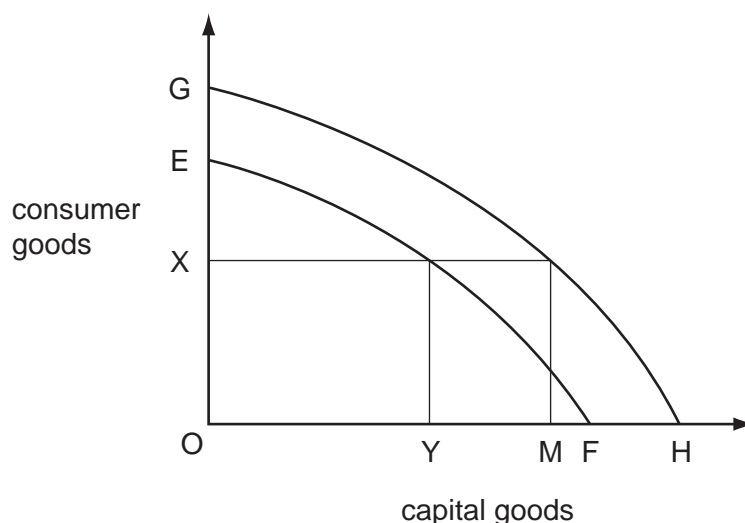1 Three women work in a pottery workshop, each dividing their time equally between three products. The table shows how many units of each product are made.

	plates	bowls	mugs
Jane	100	50	50
Sarah	50	100	50
Seema	50	50	100
total	200	200	200

Later, division of labour is introduced and each woman makes only the product in which she has absolute advantage.

What is the rise in total output?

A 150 units   B 300 units   C 600 units   D 900 units

2 The diagram shows two production possibility curves (EF and GH), before and after technological progress has taken place.

capital goods

After technological progress has taken place, what is the opportunity cost in capital goods of producing OX consumer goods?

A MH   B OH   C OM   D YF

3 What must be true of a positive statement?

A It is one that can be shown to be correct or incorrect.

B It is one that deals with positive changes in economic well being.

C It is one that is true by definition.

D It is one with which everyone is in agreement.