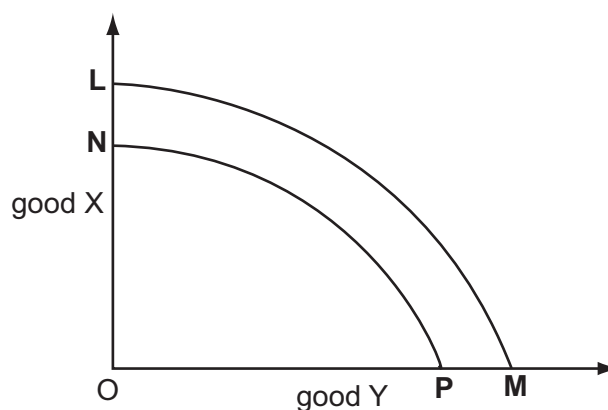


- 1 A student decides to stay in her room to do some work rather than going to the cinema.

What is the opportunity cost of her decision?

- A the enjoyment she would have derived from a visit to the cinema
- B the improvement in the mark she obtains for her assignment
- C the cost of the extra electricity she uses
- D the money she would have spent in the cinema

- 2 The diagram shows a production possibility curve **LM**.



What might cause the curve to shift to **NP**?

- A technological progress
 - B unemployment of resources
 - C the depletion of natural resources
 - D a reallocation of resources
- 3 What would prevent a firm gaining the maximum benefit from the division of labour?
- A a high interest rate
 - B a small market
 - C high production costs
 - D low productivity
- 4 What is the most abundant form of money (measured by value) in a developed economy?
- A bank deposits
 - B cash
 - C cheques
 - D credit cards