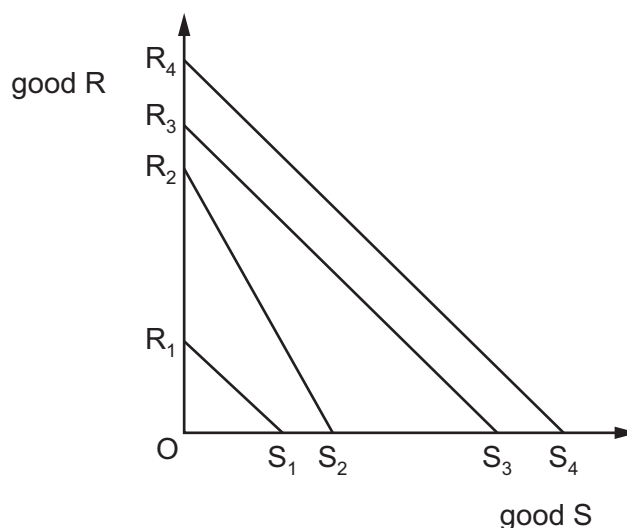


- 1 What distinguishes the very long run from the long run?
 - A the ability to change resource allocation
 - B the ability to change the state of technology
 - C the absence of government market intervention
 - D the existence of variable factors of production

- 2 What is least likely to happen if a firm decides to increase automation and division of labour in its production process?
 - A an increase in cost per unit
 - B an increase in productivity
 - C an increase in the firm's profits
 - D an increase in the number of workers employed

- 3 R_1S_1 , R_2S_2 , R_3S_3 and R_4S_4 are production possibility curves (PPC) for four different countries 1, 2, 3 and 4.



Which statement about the opportunity cost of good R in terms of good S is **not** correct?

- A It is greater at all points on R_4S_4 than on R_3S_3 .
- B It is greater in country 3 than country 2.
- C It is lower in country 2 than country 1.
- D It is the same at each point on R_3S_3 .