

- 4 A kitchen manufacturer wanted to become more efficient. It decided to move to an industrial estate and to increase the division of labour in the manufacture of its products.

Which statement about the division of labour is correct?

- A It occurs only in manufacturing industry.
- B It occurs only in market economies.
- C It occurs only when similar firms are located in the same area.
- D It occurs only when workers become more specialised.

- 5 What will cause a shift in the demand curve for a computer?

- A a change in the cost of production of the computer
- B a change in the price of the computer
- C a change in the performance of the computer
- D the imposition of a specific tax on the computer

- 6 If the price of maize rises, the quantity of maize demanded should fall.

If the demand for maize decreases, the price of maize should rise.

What can be said about these two statements?

	first statement	second statement
A	correct	correct
B	correct	incorrect
C	incorrect	correct
D	incorrect	incorrect

- 7 When the supply of a good decreases, equilibrium price stays the same.

What is the price elasticity of demand of the good?

- A -1
- B zero
- C +1
- D infinite