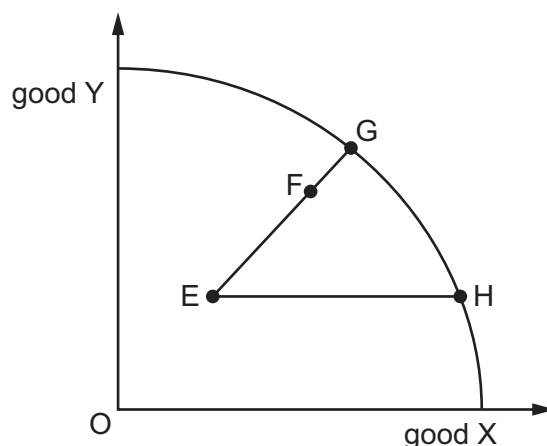


1 What is **not** an example of a public good?

- A education
- B flood control systems
- C national defence
- D street lighting

2 The diagram shows a production possibility curve for an economy that produces two goods, X and Y.



When will the opportunity cost of producing more of good X be the largest?

- A moving from point E to point F
- B moving from point E to point G
- C moving from point E to point H
- D moving from point G to point H

3 Which activity illustrates the consumption of a 'free' good?

- A a farmer using water taken from a river
- B a patient visiting a medical facility provided by a charity
- C a person breathing air in the countryside
- D a person eating their birthday cake given as a gift by a friend

4 What is essential to eliminate scarcity?

- A the existence of sufficient resources to meet all needs and wants
- B producers consistently produce in excess of demand
- C the government has a surplus budget
- D there is equilibrium in all markets