

1 Which action would **not** raise the quality of the particular factor of production?

- A** capital – operating a machine continuously at full capacity
- B** enterprise – providing risk management advice
- C** land – increasing the use of fertilisers
- D** labour – making apprenticeships and training compulsory

2 During a period of deflation an economy's aggregate monetary demand falls.

Which function of money explains this fall?

- A** a measure of value
- B** a medium of exchange
- C** a standard for deferred payment
- D** a store of value

3 What will usually result if production is divided into separate processes that are assigned to different people?

	lower output per worker	more repetitive tasks	lower costs
A	no	no	no
B	no	yes	yes
C	yes	no	no
D	yes	yes	yes