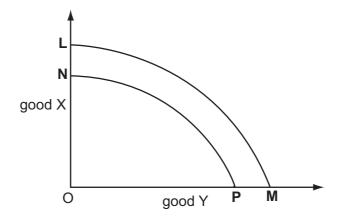
1 A student decides to stay in her room to do some work rather than going to the cinema.

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