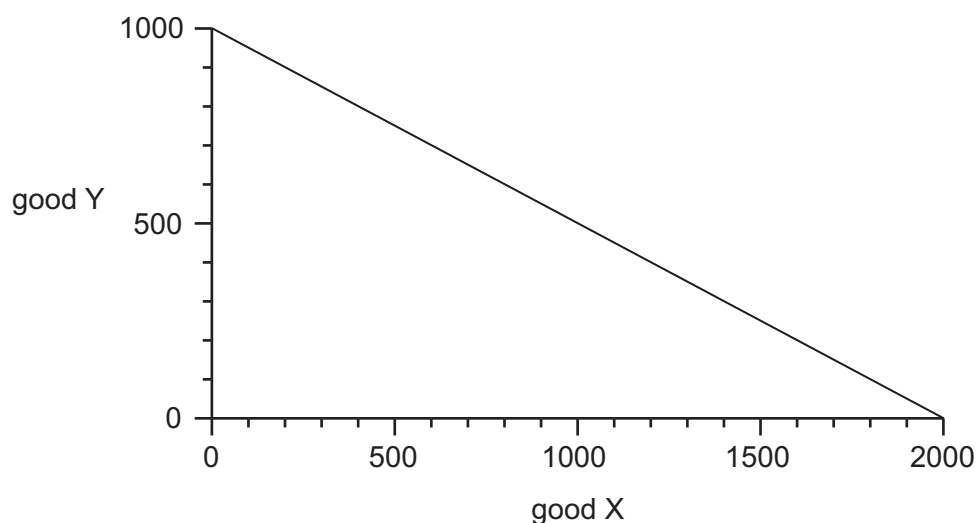


- 1 The diagram shows a production possibility curve for an economy that produces only two goods, X and Y.



The economy produces 1200 of good X and operates on its production possibility curve.

Which quantity of good Y is given up?

- A** 400 **B** 600 **C** 800 **D** 1000
- 2 In 2014, the Hong Kong Housing Authority said the waiting time for public sector housing had increased and it would only complete 8900 flats of the 15 000 planned for the year. The reasons were the shortage of workers because they were needed in other public sector projects, the difficulty of finding land, and government regulations.
- Which economic concepts are illustrated in this information?
- A** a market economy and a lack of resources
B economic planning and the price mechanism
C opportunity cost of labour and excess demand
D production possibility and budget deficit
- 3 What is most likely to be a distinguishing feature of the healthcare system of a mixed economy?
- A** a mixture of foreign and domestically owned hospitals
B a mixture of foreign and domestic medical staff
C a mixture of government-owned and privately owned hospitals
D a mixture of specialist and general hospitals