

- 1 To overcome the problem of scarcity, countries with few natural resources need to concentrate on the quality of human resources.

Which set of policies would be most appropriate?

	natural resources policy	human resources policy
A	develop renewable energy supplies	improve education and training
B	plan the allocation of resources	discourage automation
C	protect land resources	protect jobs in manufacturing
D	restrict imports of raw materials	restrict influx of skilled migrants

- 2 A government decides to subsidise farms producing milk in its country.

Which question about this decision is a normative question rather than a positive question?

- A** How much will milk production increase?
- B** How should essential products, such as milk, be produced?
- C** How will employment in the milk industry change?
- D** How will milk prices change?
- 3 Economy X uses its resources in the labour-intensive production of wheat and wooden furniture as shown by the production possibility curve FW.

With the help of new strains of wheat seeds, X increased yields and shifted to a new production possibility curve.

Which diagram depicts this change?

