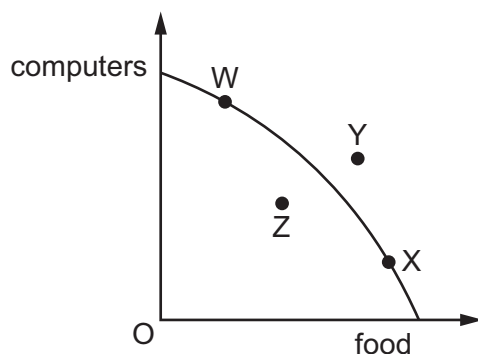


- 1 Which list has the most words that are more likely to relate to a positive statement than to a normative statement?
- A** describe, better, should, value, emotion
- B** bias, objective, ought, opinion, tastes
- C** contestable, is, motive, subjective, moral
- D** actual, ethics, fact, was, testable
- 2 What is the main characteristic of a planned economy?
- A** All goods and services are produced by privately-owned firms.
- B** All goods and services are produced by state-owned firms.
- C** Privately-owned firms produce private goods and state-owned firms produce public goods.
- D** The price mechanism allocates scarce resources through the actions of buyers and sellers.
- 3 An economy produces combinations of computers and food as shown on the diagram of a production possibility curve (PPC).



If all available resources were used, which two points on the PPC diagram show the maximum combinations of computers and food that the economy can produce?

- A** W and X **B** X and Y **C** Y and Z **D** Z and W
- 4 Four students have to complete a table showing the functions of money.

Which student is correct?

	medium of exchange	store of value	unit of account
A	✓	✓	✓
B	✓	✓	✗
C	✗	✓	✓
D	✓	✗	✓