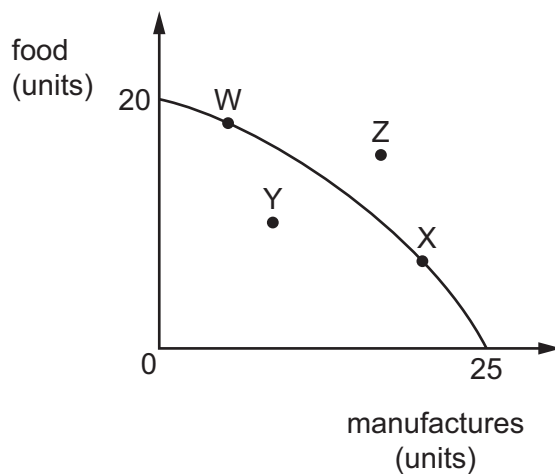


- 1 A production possibility curve shows the combinations of outputs an economy can produce using all available resources.

At which points on the diagram are all available resources used?



- A W and X only
 - B W, X and Z only
 - C W, X, Y and Z
 - D Z and Y only
- 2 What is a normative economic action based on?
- A fact
 - B market forces
 - C opinion
 - D price changes
- 3 Which function of money overcomes the double coincidence of wants problem that exists in a barter system?
- A medium of exchange
 - B standard of deferred payment
 - C store of value
 - D unit of account