

**1** Which action would **not** raise the quality of the particular factor of production?

- A** capital – operating a machine continuously at full capacity
- B** enterprise – providing risk management advice
- C** land – increasing the use of fertilisers
- D** labour – making apprenticeships and training compulsory

**2** During a period of deflation an economy's aggregate monetary demand falls.

Which function of money explains this fall?

- A** a measure of value
- B** a medium of exchange
- C** a standard for deferred payment
- D** a store of value

**3** What will usually result if production is divided into separate processes that are assigned to different people?

	lower output per worker	more repetitive tasks	lower costs
<b>A</b>	no	no	no
<b>B</b>	no	yes	yes
<b>C</b>	yes	no	no
<b>D</b>	yes	yes	yes