

- 1 'From the age of twelve I made a living by buying towels, needles, shampoo and soap and re-selling them as a street vendor. Now, I run three hotels in Hanoi' - Duong Than Binh.

Which factors of production are likely to be involved in the above events?

- A land only
- B land and labour only
- C land, labour and capital only
- D land, labour, capital, enterprise

- 2 What is the correct order of these economic concepts?

A	B	C	D
inevitability of choices	opportunity costs	opportunity costs	scarce resources
↓	↓	↓	↓
opportunity costs	inevitability of choices	scarce resources	inevitability of choices
↓	↓	↓	↓
scarce resources	scarce resources	inevitability of choices	opportunity costs

key
↓ = leads to

- 3 A farmer can produce both beef and lamb. The opportunity cost of a kilo of beef is three kilos of lamb. The price of a kilo of beef is twice that of lamb.

What should he do if his aim is to maximise his revenue?

- A concentrate on beef production
- B concentrate on lamb production
- C produce beef and lamb in the ratio 3:2
- D produce twice as much beef as lamb

- 4 What advantage do banknotes (paper money) have over coins (metallic money)?

- A They are cheaper to produce.
- B They are more useful for low value transactions.
- C They are the only form of legal tender.
- D They have greater intrinsic value.