

GCSE Economics: Productivity Multiple Choice Questions (25 Questions)

Here are 25 multiple-choice questions on the topic of productivity for GCSE Economics students:

- 1. Productivity is best defined as:** a) Total output produced. b) Output per unit of input. c) The value of goods and services produced. d) The efficiency of resource allocation.
- 2. An increase in productivity means:** a) More output with the same input. b) The same output with more input. c) Higher prices for goods and services. d) Decreased demand for labour.
- 3. Which is NOT a factor influencing productivity?** a) Capital investment. b) Interest rates. c) Labour quality. d) Technological advancements.
- 4. Human capital refers to:** a) Machinery and equipment. b) Workforce skills, knowledge, and experience. c) Total value of a firm's assets. d) Natural resources.
- 5. How does improved training affect productivity?** a) Decreases it by increasing labour costs. b) No impact. c) Increases it by improving workforce skills. d) Reduces it by diverting resources.
- 6. New technology investment usually:** a) Decreases short-run productivity. b) No impact. c) Increases long-run productivity. d) Decreases long-run productivity.
- 7. Division of labour example:** a) One worker does all tasks. b) Workers specialize in specific tasks. c) Firm diversifies its products. d) Increased number of workers.
- 8. Specialisation increases productivity because:** a) Workers become more skilled at their tasks. b) Reduces capital investment needs. c) Simplifies production, reducing costs. d) Decreases worker interdependence.
- 9. Specialisation's disadvantage:** a) Increased worker satisfaction. b) Increased worker interdependence, leading to potential disruptions. c) Lower training costs. d) Greater production flexibility.
- 10. Productivity's importance for economic growth:** a) Leads to higher inflation. b) Allows increased output with same/fewer resources, improving living standards. c) Reduces international trade. d) Decreases firm competitiveness.
- 11. Which input is commonly used to measure productivity?** a) Money b) Labour c) Profit d) Demand
- 12. Labour productivity is calculated as:** a) Total output / Number of workers b) Number of workers / Total output c) Total revenue / Number of workers d) Number of workers / Total cost
- 13. Which of these can increase labour productivity?** a) Reduced working hours without a fall in output b) Increased absenteeism c) Lower wages d) Outdated machinery
- 14. Which of these can decrease labour productivity?** a) Improved worker morale b) Investment in new technology c) Lack of training d) Better management practices
- 15. One way to improve capital productivity is to:** a) Reduce maintenance of machinery. b) Increase downtime. c) Use machinery more efficiently. d) Employ more workers.

- 16. Which is a potential benefit of increased productivity for a firm?** a) Higher costs of production b) Lower profits c) Increased competitiveness d) Decreased market share
- 17. Which is a potential benefit of increased productivity for an economy?** a) Lower living standards b) Higher unemployment c) Increased economic growth d) Higher inflation
- 18. Technological progress usually leads to:** a) Decreased productivity b) Increased productivity c) No change in productivity d) Lower wages
- 19. Research and development (R&D) is important for:** a) Decreasing innovation b) Increasing productivity in the long run c) Reducing competitiveness d) Stagnant economic growth
- 20. What is the relationship between productivity and living standards?** a) Higher productivity leads to lower living standards. b) Higher productivity leads to higher living standards. c) Productivity and living standards are unrelated. d) Lower productivity has no effect on living standards.
- 21. Which of the following is NOT a form of capital?** a) A factory building b) A computer c) A worker's skills d) A delivery van
- 22. Which of the following is an example of improving human capital?** a) Buying new machinery b) Providing employee training c) Reducing production costs d) Increasing advertising spending
- 23. Improved infrastructure can lead to:** a) Decreased productivity b) Increased productivity c) No change in productivity d) Lower economic growth
- 24. Efficient management practices can contribute to:** a) Increased productivity b) Decreased productivity c) No change in productivity d) Lower profits
- 25. Which of the following is a potential cost of increased specialization?** a) Increased worker satisfaction b) Decreased worker motivation c) Greater efficiency d) Higher output