

PENANG SANGAM HIGH SCHOOL

YEAR 12

ECONOMICS

WORKSHEET 2

Question 1

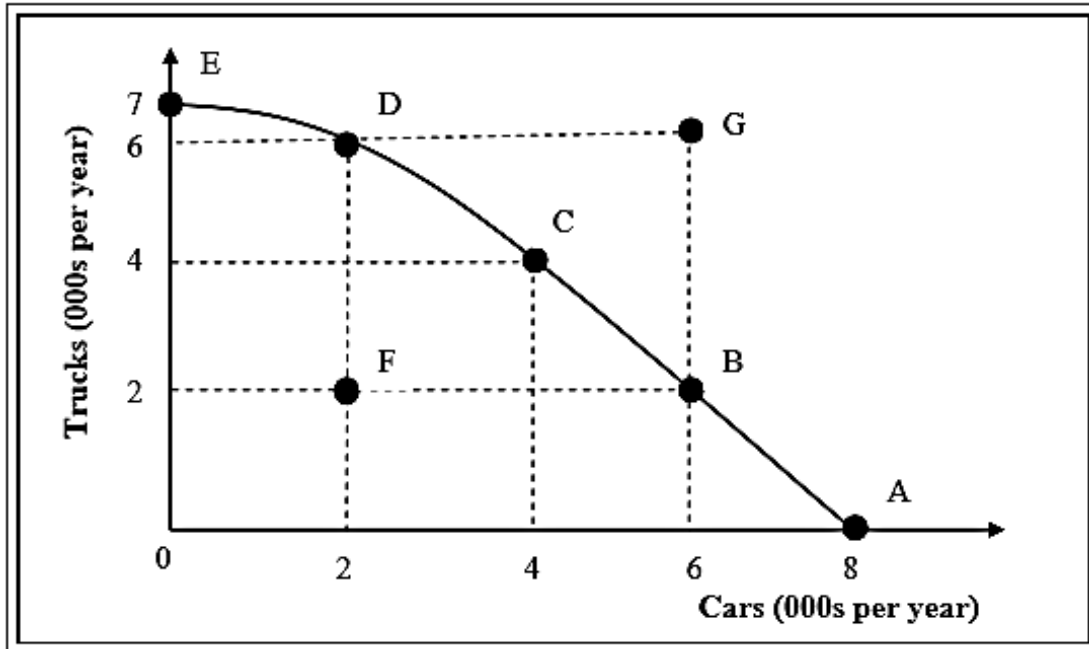
Define the following concepts:

- (i) **Production Possibility Curve**
- (ii) **Allocative Efficiency**
- (iii) **Export Orientation Programme**
- (iv) **Law of Diminishing Return**
- (v) **Import Resource Based Industry**
- (vi) **Diversification**
- (vii) **Automation**

Question 2

Study the graph given below and use your knowledge to answer questions (i) – (iii).

Production Possibility Curve of Mali Economy.



- (i) State **one** assumption illustrated by the Production Possibility Curve above.
- (ii) State **one** way this economy can achieve combination G?
- (iii) Calculate:

I. Opportunity cost of increasing production of cars from point C to B.

II. Marginal rate of transformation from trucks to cars production from point D to C.

Question 3

Identify and explain **two** ways of improving productivity.