

# PENANG SANGAM HIGH SCHOOL

YEAR 13

ECONOMICS

WORKSHEET 1

Question 1

Multiple choice

Circle the best answer.

1. Believing what we want to believe, and ignoring the information that conflicts with those beliefs is
  - A. Generalisation
  - B. Post hoc fallacy
  - C. Wishful thinking
  - D. Fallacy of composition
2. What particular **school of economics** advocates the principle of liquidity preference and spending multiplier?
  - A. Classical
  - B. Keynesian
  - C. Neoclassical
  - D. Microeconomics
3. **Marginal utility** is
  - A. The total satisfaction gained from consuming a good
  - B. The demand consumers have for good
  - C. A measure of the satisfaction gained from consuming goods and services
  - D. The addition to total utility as a result of one more unit consumed
4. The constraint on consumers' income depends on
  - A. Supply of goods
  - B. Price of goods
  - C. Income of consumers
  - D. Both price and income

5. Which of the following is an assumption of marginal productivity theory?
- A. Technology used in production varies
  - B. Imperfect competition in factor market
  - C. Heterogeneity of factors of production
  - D. Supply of factors of production is fixed in quantity
6. The rate of responsiveness as far as supply is concerned to a change in price of a commodity is given by
- A.  $P_{ed}$
  - B.  $P_{es}$
  - C.  $e_{xy}$
  - D.  $e_y$
7. **Market demand curve** is derived through the process of
- A. Horizontal summation
  - B. Capital accumulation
  - C. Market segmentation
  - D. Vertical integration
8. An example of a **primary expansion** of money would include
- A. The process of credit creation
  - B. Customers depositing more money in their accounts
  - C. Government spending more money than what they raise from tax
  - D. The Reserve Bank buying government stock from the public

## Question 2

## Introduction to Economics

**Discuss** the following:

- i) Contributions of Karl Marx
- ii) Inductive Method of Inquiry
- iii) Post-hoc fallacy