

PENANG SANGAM HIGH SCHOOL

YEAR 12

ECONOMICS

WORKSHEET 1

Strand 1 Introduction to Economics

Question 1

Circle the best letter of the answer.

1. **Selection** between wants is termed as
 - A. Choice
 - B. Scarcity
 - C. Efficiency
 - D. Opportunity cost

2. The term the best describes the **production possibility frontier** is
 - A. Transformation curve
 - B. Lorenz curve
 - C. Law of variable proportions
 - D. Indifference curve

3. Any combination of goods outside PPC is unattainable with the given resources and technology clearly illustrates
 - A. Efficiency
 - B. Opportunity cost
 - C. Choice
 - D. Scarcity

4. On the Production Possibility Frontier, a change from economic inefficiency to economic efficiency is represented by
 - A. Movement along the frontier
 - B. A change in the slope of the frontier
 - C. Movement from a point inside the frontier to a point on the frontier
 - D. Movement from a point inside the frontier to a point outside the frontier

Question 2

Study the information given below to answer questions (i) to (v).

Possibilities	Sea kayaks	Mountain Bikes
A	20	0
B	18	5
C	14	10
D	10	13
E	5	15
F	0	18

- (i) **Calculate** the **opportunity cost** of increasing the output of mountain bikes from 15 to 18 units?
- (ii) **Calculate** the **MRT** if the economy moves from possibility C to D?
- (iii) **State** the Production efficiency level from the schedule.
- iv) **State and explain** 2 economic concepts illustrated by the Production Possibility Curve?
- v.) **State an assumption** while drawing the Production Possibility Curve?