

PENANG SANGAM HIGH SCHOOL

YEAR 11

ECONOMICS

WORKSHEET 4

Question 1 Multiple Choice

1. Adam Smith was the 18th century Economists known as “Father of Economics” who wrote the book “Wealth of Nations. Which of the following is not his notable idea?
 - A. Classical Economics
 - B. Division of Labor
 - C. Macroeconomics
 - D. The “Invisible hand”

2. The economic system where the decision making is decentralized, that is, decisions are made independently by groups and individuals in the economy rather than by the central planning is
 - A. Traditional Economy
 - B. Mixed Economy
 - C. Command Economy
 - D. Market Economy

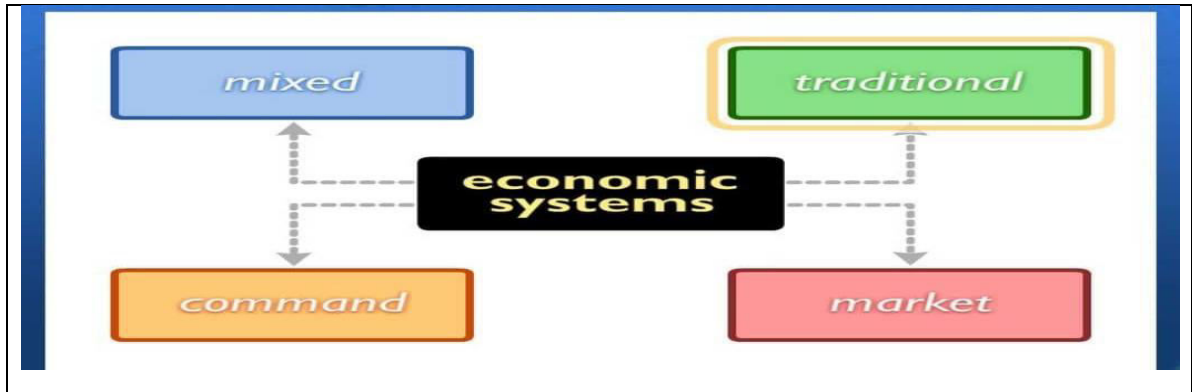
3. Which particular information is relevant in choosing a career in the field of Economics?
 - A. Gender
 - B. Nationality
 - C. Job market
 - D. Current address

4. If two variables have an indirect relationship on a graph, it indicates that
 - A. both variables are not related
 - B. as one variable rises, the other variable falls
 - C. Both variables are moving in the same direction
 - D. As one variable rises, the other variable is constant

Question 2

Short Answers and Resource Interpretation.

1. Use the diagram given below to answer the questions that follow:



(a) Define the term **Market**?

(b) Who makes decisions and owns resources in a **Traditional Economy**?

(c) Discuss the three basic economics questions.

Essay Writing

Economic systems aim to allocate resources efficiently.

Choose one economic system and discuss the above statement with reference to:

- The relationship between economic problem, resource allocation and economic system.
- How resources are allocated through what to produce, how to produce and for whom to produce.
- Two merits and one demerit of the free market economic system in allocating resources efficiently.