

**SUVA SANGAM COLLEGE**

**YEAR 11**

**ECONOMICS**

**WORKSHEET 5**

1. Economics is the study of how to
  - A. give people all they want
  - B. calculate the social costs of productions
  - C. make the best use of our scarce resources
  - D. Redistribute incomes to the working classes
  
2. Freedom of choice and private ownership of resources are characteristics of
  - A. a market economy
  - B. a command economy
  - C. a traditional economy
  - D. a centrally planned economy

**3. Study the information given below and with your own knowledge to answer the questions that follow.**

|                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Every society tries to answer the questions of WHAT, HOW AND FRO WHOM. Economic systems generally fall into one of the four categories: traditional, command, market economies and mixed market economies |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Adapted from: Applied Economics

- a) Discuss how and why the problems of 'What', 'How' and 'For Whom' exist
- b) Explain briefly:
  - i) how the market economies answer the question of 'HOW'?
  - ii) how the command economies answer the question of 'What'?
  - iii) how the price mechanism answers the question for 'Whom'?