

. Ba Sangam College
Year 11
Economics
Worksheet 4

Strand One: Introduction to Economics

1. All societies face the problem of choice because
 - A. Resources are limited relative to wants
 - B. Wants are limited relative to resources
 - C. Prices are often too high for many consumers
 - D. Wages are often too high for manufactures

2. The economic problem of „how goods shall be produced“ is solved in the market economies
 - A. by means of extensive specialisation.
 - B. by means of extensive use of capital goods.
 - C. by means of the profit-motive impelling producers.
 - D. through the decisions of consumers in the market place.

3. If two factors show an indirect relationship on a graph, this signifies that
 - A. as one factor rises, the other factor falls.
 - B. both factors are rising.
 - C. both factors are falling.
 - D. both factors are not related.

4. Define the following economic concepts:
 - (i) Economising Resources
 - (ii) Opportunity Cost

5. Study the extract given below and your knowledge to answer questions (i) and (ii).

The material needs of such communities are typically provided for through hunting and gathering or through agriculture. Questions about which members of the community get which portions of what has been killed, gathered, or harvested are solved according to rules derived from the individual society's traditions.

Source: <http://www.encyclopedia.com/finance>

- (i) Name the economic system which is elaborated in the above article.
- (ii) Identify an example of an economic question from the above article.

6. Use the chart below to answer questions.

Production	1987	1988	1989	1990
Gold	300	350	450	600
Silver	200	200	245	105
Limestone	710	670	610	590
Coral sand	500	500	400	400
Total	1710	1720	1705	1695

- i. What does the term “production” mean?
- ii. In which year was gold production the highest?
- iii. What is the trend in
- Gold production
 - Limestone production
- iv. Draw a bar graph showing the amount of each item produced in 1989. (Label the graph)

7. Essay Writing

An economic system is a system of production, resource allocation, and distribution of goods and services within a society or a given geographic area.

With reference to the above statement, discuss

- **three** features of free market economic system
- how free market economic system answers the question of what, how and for whom to produce goods and services
- **three** problems associated with free market economic system

The End