



AL AIN JUNIORS SCHOOL
Work Sheet (2019-20)

Grade : 9BD

Subject: Economics

Date: /11/19

Topic – Review worksheet

Q.1

Production involves the use of the four factors of production. The use of these resources involves an opportunity cost.

- (a)** Using appropriate examples, describe the four factors of production. [6]
- (b)** Using a production possibility curve, explain what is meant by opportunity cost. [6]
- (c)** Discuss whether more factors of production should be used to build houses. [8]

Q.2

The demand for flat screen televisions has increased enormously in many countries and this has had an effect on the market.

- (a)** Describe what can influence the demand for flat screen televisions. [4]
- (b)** Using a demand and supply diagram, analyse how an increase in income can affect the equilibrium price and equilibrium quantity of flat screen televisions. [6]
- (c)** Explain what is meant by price elasticity of demand. [4]
- (d)** Discuss the potential usefulness of price elasticity of demand to a manufacturer of flat screen televisions. [6]



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Date: 24 /11/19

Topic – Demand , Opportunity cost and possibility curve (past paper questions)

Q.1 In 2014 Cuban doctors were given pay rises that significantly increased their salaries. This made doctors' pay more than twice that received by nurses. Cuba is devoting more resources to both medical care and tourism, altering the country's production possibility curve. Living standards are increasing in the country but at a slower rate than some other nearby countries.

(a) What is meant by a production possibility curve? [2]

(b) Explain, giving examples, **two** factors of production used in the tourism industry. [4]

Q.2

Increasing demand from China has made New Zealand the world's biggest exporter of dairy products. Its exports of milk to China increased by 45% in 2013. More than 300 000 hectares of land in New Zealand have been transferred to dairy use from other forms of farming and forestry use since 2000. The increase in milk production has caused the average cost of its production to fall and changes in production methods have affected the price elasticity of supply of milk.

(a) Why may less wheat be the opportunity cost of producing more milk? [2]

Q.3

Many economists are predicting that relative poverty will increase whilst absolute poverty will fall in both India and the United States of America. The level of poverty can be influenced by, for example, education, the technology used and the number of new businesses created, including sole proprietorships.

Explain **two** different opportunity costs that may be involved in a person becoming a sole proprietor. [4]

Analyse, using a production possibility curve, the effect of advances in technology. [6]

In recent years there has been an increase in prices in Mexico. Indirect taxes have also been increased. Bus fares and food have become more expensive. In 2015, the Mexican Government was planning to cut its spending by US\$8.3 billion.

Explain **two** causes of an increase in demand for bus transport. [4]



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Topic – (past paper questions)

Q.1

The production process in the oil industry is capital-intensive. The pollution it generates means it is one cause of environmental market failure. A Nigerian oil monopoly is starting to produce more environmentally friendly liquefied petroleum gas (LPG), rather than kerosene, in an attempt to reduce pollution. The Nigerian government intends to split the monopoly firm into separate companies to improve efficiency.

(a) Identify **two** features of a capital-intensive production process. [2]

Q.2

Labour is one of the most important factors of production.

(a) Using examples, define the factor of production, labour. [4]

(b) Explain why production is sometimes very labour-intensive. [6]

Q.3

There are a number of competing producers of jeans. These firms are now also facing competition from new sportswear designed to also be worn as leisurewear. This increased competition has made demand for jeans more price-elastic. For instance, a government report has estimated that the price elasticity of demand for one of the oldest firm's jeans in Asia is -2.5 .

(a) What is meant by a price elasticity of demand of -2.5 ? [2]

(b) Explain the importance of price elasticity of demand for a government. [4]

(c) Using a demand and supply diagram, analyse the effect of a rise in the price of Firm X's jeans on the market for Firm Y's jeans. [6]