

1.3 Factors of production

Name: _____ Class: _____ Date: _____ **Total: 21 marks**

KEY WORDS capital 资本 • enterprise 企业家才能 • labour 劳动 • rent 地租 • interest 利息

Objective

Build the skills to answer exam questions on **factors of production** 生产要素 — **land, labour, capital and enterprise** 土地、劳动、资本、企业家才能 and their rewards, **specialisation and the division of labour** 专业化与劳动分工, and factor **mobility** 流动性.

You must be able to:

- name the four factors of production and their rewards
- explain specialisation and the division of labour, with advantages and disadvantages
- distinguish occupational from geographical mobility

1 Worked examples

■ The four factors and the division of labour

Land natural resources <i>earns rent</i>	Labour human work <i>earns wages</i>	Capital machines and tools <i>earns interest</i>	Enterprise risk-taking <i>earns profit</i>
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The four factors of production and the reward each one earns



A car assembly line: capital 资本 + the division of labour 劳动分工

Factor	Reward
land 土地	rent 地租
labour 劳动	wages 工资
capital 资本	interest 利息
enterprise 企业家才能	profit 利润

- **Division of labour** 劳动分工: splitting a job into small tasks → workers get faster → output per worker rises.
- **Mobility: occupational** 职业流动性 (move to a new *job*) and **geographical** 地理流动性 (move to a new *place*).

Answer shapes: AO1 + AO2 + AO3 (analysis) + AO4 (judgement, for evaluate questions).

2 Practice

2.1 State the reward earned by each factor of production. [2]

2.2 Define the term *division of labour*. [2]

2.3 State the difference between occupational and geographical mobility. [2]

3 Exam-style questions

3.1 The reward to the factor *capital* is: [1]

- A
C

B
D
- A rent
 - B wages
 - C interest
 - D profit

3.2 Explain two advantages to a firm of using the division of labour. [6]

3.3 Discuss whether the division of labour always benefits workers. [8]
