1. Basic economic ideas and resource allocation

Starter Quiz · 课前小测

A-Level Economics Name: ____________________ Score: ______

1. The basic economic problem arises because:
   - ☐ wants are unlimited but resources are finite
   - ☐ people are lazy
   - ☐ governments tax too much
   - ☐ prices are too high
2. Which is a positive statement?
   - ☐ Unemployment rose to 5% last year
   - ☐ The government should cut taxes
   - ☐ Inequality is unfair
   - ☐ Pensions ought to be higher
3. In economics, "capital" means:
   - ☐ man-made aids to production (tools, machines)
   - ☐ money in the bank
   - ☐ a country's capital city
   - ☐ natural resources
4. In a market economy, resources are allocated mainly by:
   - ☐ the price mechanism
   - ☐ a central planning committee
   - ☐ the army
   - ☐ random chance
5. A point exactly on the PPC represents an economy that is:
   - ☐ using all resources efficiently
   - ☐ wasting resources
   - ☐ producing the impossible
   - ☐ in recession
6. The assumption "all other things being equal" is called ceteris ________.

   ____

7. The entrepreneur combines the other factors, takes the risk, and earns the profit.

   ☐ True ☐ False
8. A normative statement expresses a value judgement about what ought to be.

   ☐ True ☐ False
9. If the price is below equilibrium, there is a shortage and price tends to rise.

   ☐ True ☐ False
10. The PPC bows outward because opportunity cost rises as an economy specialises in one good.

    ☐ True ☐ False

A-Level Economics

1. **wants are unlimited but resources are finite**

   Scarcity = unlimited wants meeting finite resources; it forces choice.

2. **Unemployment rose to 5% last year**

   A positive statement is factual and testable; the others are value judgements (normative).

3. **man-made aids to production (tools, machines)**

   Capital is man-made aids to production — not money (money just buys capital).

4. **the price mechanism**

   Markets use prices (the invisible hand); command economies use central planning.

5. **using all resources efficiently**

   On the curve = full, efficient use; inside = spare capacity; beyond = unattainable.

6. **paribus**

   Ceteris paribus lets economists isolate the effect of one variable.

7. **True**

   Enterprise organises land, labour and capital and bears the risk for a profit (or loss).

8. **True**

   Normative = opinion/"ought"; positive = testable fact.

9. **True**

   Below equilibrium, demand exceeds supply → shortage → upward pressure on price until it clears.

10. **True**

    Resources are not equally suited to both goods, so each extra unit costs more of the other — a concave curve.