1. The economic problem of scarcity arises because:

   ☐ businesses charge too much

   ☐ wants are unlimited but resources are limited

   ☐ there is too little money

   ☐ people are lazy

2. A car factory operates in the:

   ☐ public sector

   ☐ tertiary sector

   ☐ primary sector

   ☐ secondary sector

3. An entrepreneur is someone who:

   ☐ takes a risk to start and run a business

   ☐ never takes risks

   ☐ only lends money

   ☐ works for the government

4. A sole trader has:

   ☐ shareholders

   ☐ limited liability

   ☐ a stock-market listing

   ☐ unlimited liability

5. The most likely main objective of a brand-new business is:

   ☐ survival

   ☐ global growth

   ☐ paying large dividends

   ☐ maximum market share

6. A business buys materials for 18 and sells the finished product for 50. What is the value added?

   _____

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_____

8. Which can measure the size of a business? (Select all that apply.)

   ☐ the owner's height

   ☐ revenue

   ☐ number of employees

   ☐ capital employed

   Tick every correct option.

9. A partnership has two or more owners who share the capital and risk.

   ☐ True ☐ False

10. The interests of different stakeholders can conflict with each other.

    ☐ True ☐ False

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

   Scarcity means limited resources cannot meet unlimited wants.

2. **secondary sector**

   Manufacturing is the secondary sector.

3. **takes a risk to start and run a business**

   Entrepreneurs bear risk to start a business for profit.

4. **unlimited liability**

   A sole trader is personally liable for all debts.

5. **survival**

   New firms prioritise survival first.

6. **32**

   Value added $= 50 - 18 = 32$.

7. **primary**

   The primary sector extracts raw materials.

8. **revenue; number of employees; capital employed**

   Employees, revenue and capital are standard measures.

9. **True**

   Partners share ownership, profit and (usually) unlimited liability.

10. **True**

    For example, employees want higher pay while owners want higher profit.

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