

1. Which are functions of money? (Select all that apply.)

- ☐ unit of account
- ☐ medium of exchange
- ☐ source of pollution
- ☐ store of value

Tick every correct option.

2. Saving is best defined as:

- ☐ spending on luxuries
- ☐ income that is not spent
- ☐ money borrowed from a bank
- ☐ total income

3. In a free labour market, wages are determined by:

- ☐ the weather
- ☐ the demand for and supply of labour
- ☐ the price of oil
- ☐ the government alone

4. Limited liability means that, if a company fails, shareholders:

- ☐ pay all the company's debts personally
- ☐ can lose only the amount they invested
- ☐ lose their houses too
- ☐ lose nothing at all

5. Productivity is best defined as:

- ☐ total revenue
- ☐ the number of workers
- ☐ total output
- ☐ output per worker

6. Which is a fixed cost?

- ☐ electricity used by machines

- ☐ factory rent
- ☐ hourly wages
- ☐ raw materials

7. A monopoly can sometimes benefit from economies of scale.

- ☐ True ☐ False

8. Modern money is valuable mainly because people accept it, not because of its material.

- ☐ True ☐ False

9. Low-income households tend to save a larger proportion of their income than high-income households.

- ☐ True ☐ False

10. Which are non-wage factors affecting job choice? (Select all that apply.)

- ☐ the rate of pay
- ☐ working hours
- ☐ job security
- ☐ job satisfaction

Tick every correct option.

IGCSE Economics

1. unit of account; medium of exchange; store of value

Money is a medium of exchange, store of value, unit of account and standard of deferred payment.

2. income that is not spent

Saving is the part of income not consumed.

3. the demand for and supply of labour

Wages are the price of labour, set by demand and supply.

4. can lose only the amount they invested

Their loss is limited to their investment.

5. output per worker

Productivity measures efficiency – output per worker (or per machine).

6. factory rent

Rent does not change with the level of output – a fixed cost.

7. True

Its large size may lower average cost and fund research.

8. True

Fiat money works through general acceptability.

9. False

False. Low-income households spend a larger proportion of their income on necessities, leaving little to save.

10. working hours; job security; job satisfaction

Pay is the wage factor; the others are non-wage factors.