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. US households saved an unusually high share of income in April 2020.

   ☐ True ☐ False

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. Ten workers make 48,000 pins a day. How many pins is that per worker?

   _____

6. Which is a fixed cost?

   ☐ electricity used by machines

   ☐ factory rent

   ☐ hourly wages

   ☐ raw materials

7. A competitive market is characterised by:

   ☐ a single seller

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   ☐ many firms and free entry

   ☐ one dominant firm

8. Money removes the need for barter's:

   ☐ central bank and its rules

   ☐ interest rate on loans

   ☐ double coincidence of wants

   ☐ exchange rate between countries

9. Which are uses of household income?

   ☐ Paying taxes

   ☐ Consumption

   ☐ Printing money

   ☐ Saving

   Tick every correct option.

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.

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. **True**

   About a third.

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. **4800**

   48,000 ÷ 10.

6. **factory rent**

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

7. **many firms and free entry**

   Many firms with free entry define a competitive market.

8. **double coincidence of wants**

   Barter needs both parties to want what the other offers – money avoids this.

9. **Paying taxes; Consumption; Saving**

   Borrowing adds to spending power.

10. **working hours; job security; job satisfaction**

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

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