

## FACTORS OF PRODUCTION-QUESTION PAPER

1	<p>What would an economist regard as an example of the factor of production capital?</p> <p><b>A</b> an individual's purchase of stocks and shares</p> <p><b>B</b> borrowing by a firm to pay for electricity</p> <p><b>C</b> the building by a firm of a new factory</p> <p><b>D</b> total savings by individuals in a country</p>
2	<p>A government wishes to increase agricultural output. It gives farmers the tools to irrigate the farmers' fields.</p> <p>Which factors of production are provided by the farmers?</p> <p><b>A</b> capital and enterprise</p> <p><b>B</b> enterprise and labour</p> <p><b>C</b> labour and land</p> <p><b>D</b> land and capital</p>
3	<p>In farming, what is an example of what economists call capital?</p> <p><b>A</b> savings the farmer has in the bank</p> <p><b>B</b> shares in a farming company</p> <p><b>C</b> the money the farmer set aside to pay taxes</p> <p><b>D</b> the tractor owned by the farmer</p>
4	<p>What is the function of the factors of production in an economy?</p> <p><b>A</b> to make goods and services to fulfil wants and needs</p> <p><b>B</b> to provide an even distribution of income</p> <p><b>C</b> to provide tax income for the government</p> <p><b>D</b> to reduce the existence of external costs</p>

5	<p>In 2016, 20 billion barrels of oil and 1.6 billion barrels of natural gas were discovered in Texas, US.</p> <p>Which factor of production has increased in the US due to this discovery?</p> <p><b>A</b> capital <b>B</b> enterprise <b>C</b> labour <b>D</b> land</p>
6	<p>Which statement about factors of production is correct?</p> <p><b>A</b> Capital is the amount of money borrowed from a bank. <b>B</b> Labour is output made by an employee. <b>C</b> Land includes commercially grown rice crops. <b>D</b> Profit is the reward for enterprise.</p>