

Smart Exam Resources

IGCSE Economics

1.2-Factor of Production — Question Paper (Student Copy, Set 6)

Q1.

Which change will make a manufacturing company replace labour with capital to maintain the most efficient combination of factors of production?

- A The price of machinery has increased.
- B The productivity of labour has increased.
- C The productivity of machinery has increased.
- D The supply of labour has increased.

Q2.

In which case is it possible to set the level of reward before production takes place for the first factor of production but not for the second? first factor second factor

- A capital land
- B enterprise labour
- C labour capital
- D land enterprise

Q3.

Two telecommunications companies are to merge to finance investments in new technology, which will be more efficient and require smaller buildings. Three hundred workers will lose their jobs. What will happen to the factors of production used? land labour capital enterprise

- A fall fall rise fall
- B fall fall uncertain rise
- C rise rise rise rise
- D uncertain rise fall fall

Q4.

What is likely to happen when the rate of interest increases?

- A the ability to organise the factors of production
- B the energy used in production
- C the factory used in production
- D the money invested in a firm

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Q5.

African economies may have rapid economic growth because of a large increase in their working age population. Based on this idea, which factor of production is most likely to grow significantly?

- A labour
- B enterprise
- C capital
- D land