

Smart Exam Resources

IGCSE Economics

1.2-Factor of Production — Question Paper (Student Copy, Set 1)

Q1.

Which statement about the factors of production is correct?

- A A river from which a company draws water is called land.
- B Raising finance for a company is called capital.
- C Supervisors employed in a company are called enterprise.
- D The owner of a company is called labour.

Q2.

The following are four ways factors of production are used. What is likely to require the greatest use of the factor enterprise?

- A a carpenter making wooden articles in his leisure time for sale at a monthly market
- B a corn farmer negotiating with other farmers to hire expensive machinery
- C a food shop owner sometimes selling flowers in the shop
- D a householder harvesting vegetables grown at home

Q3.

Each of the factors of production earns an income. What are the incomes for capital and enterprise? capital enterprise

- A interest profit
- B interest wages
- C profit interest
- D profit rent

Q4.

Which is not a factor of production?

- A a farm
- B a farmer
- C a farmer's bank account
- D a second-hand tractor

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Q5.

Which statement about factors of production is correct?

- A The fruit picked from the tree is called land.
- B The managers of a company are called enterprise.
- C The money used to finance a project is called capital.
- D The owner of a company is called labour.

Q6.

The introduction of robots has meant that many firms now require fewer workers to produce their goods and services. According to this statement, which factor of production is replacing workers?

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

Q7.

What would an economist regard as an example of the factor of production capital?

- A an individual's purchase of stocks and shares
- B borrowing by a firm to pay for electricity
- C the building by a firm of a new factory
- D total savings by individuals in a country

Q8.

A government wishes to increase agricultural output. It gives farmers the tools to irrigate the farmers' fields. Which factors of production are provided by the farmers?

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

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Q9.

In 2016, 20 billion barrels of oil and 1.6 billion barrels of natural gas were discovered in Texas, US. Which factor of production has increased in the US due to this discovery?

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

Q10.

Which statement about the factors of production is correct?

- A Capital is a financial resource and includes savings in banks.
- B Enterprise is limited in supply and includes office workers.
- C Labour is a human resource and includes pensioners and children.
- D Land is a natural resource and includes trees and fish.

Q11.

Which factor has the correct factor reward identified? factor factor reward

- A capital profit
- B enterprise wages
- C labour interest
- D land rent