

Smart Exam Resources/Smart Edu Hub

IGCSE-Economics

1.1.1 Finite resources and infinite wants — Question Paper (Student Copy, Set 5)

Q1.

A hospital cannot treat all the people that need treatment. This is an example of

- A excess supply.
- B limited wants.
- C scarcity.
- D unlimited resources. © UCLES 2006 0455/01/O/N/06 3

Q2.

How does a production possibility curve show that scarcity exists?

- A It shows that a rise in demand for one of the products increases its price.
- B It shows that as more resources are used to produce a product, its price rises.
- C It shows that at any point outside the production possibility curve an economy is wasting resources.
- D It shows that there is a limit to the quantity of products that can be produced with existing resources and technology.

Q3.

A country with a low income per head discovers large quantities of oil, which eventually makes everybody better off. Why is the basic economic problem of scarcity not solved by this discovery?

- A People may not get jobs in the oil industry.
- B People's wants are always changing and increasing.
- C Prices of oil can fluctuate on the world market.
- D Production of oil can damage the environment. © UCLES 2012 0455/11/O/N/12 5

Q4.

Which type of unemployment is likely to lead to the most serious regional problems in a country?

- A cyclical
- B frictional
- C residual
- D structural