

## 1.2.2-FACTORS OF PRODUCTION-QUESTION PAPER

<p>What is a factor of production?</p> <p><b>A</b> a semi-skilled, young worker</p> <p><b>B</b> direct taxes received by a government</p> <p><b>C</b> shares in a manufacturing company</p> <p><b>D</b> stocks of money held a bank</p>	<b>1</b>
<p>Which of the following is an example of the factor of production 'capital'?</p> <p><b>A</b> a truck                      <b>C</b> a truck driver's savings</p> <p><b>B</b> a truck driver              <b>D</b> a truck driver's wage</p>	<b>2</b>
<p>What is <b>not</b> a factor of production?</p> <p><b>A</b> a \$10 note                  <b>C</b> a printing machine</p> <p><b>B</b> a farm                        <b>D</b> a teacher</p>	<b>3</b>
<p>Which is part of the factor of production land?</p> <p><b>A</b> an airport</p> <p><b>B</b> a car park</p> <p><b>C</b> a fish farm</p> <p><b>D</b> a forest</p>	<b>4</b>
<p>A boat owner employs a crew to catch fish to sell on the market.</p> <p>Which factors of production are involved in this activity?</p> <p><b>A</b> labour, capital and enterprise only</p> <p><b>B</b> land, labour and capital only</p> <p><b>C</b> land, labour and enterprise only</p> <p><b>D</b> land, labour, capital and enterprise</p>	<b>5</b>

<p>What is an example of the factor of production enterprise?</p> <ul style="list-style-type: none"><li>A a shop assistant</li><li>B a shop's profits</li><li>C a shop owner</li><li>D a shopping centre</li></ul>	<b>6</b>
<p>\$2bn is invested in developing a country's natural resources and infrastructure.</p> <p>Which two factors of production does this refer to directly?</p> <ul style="list-style-type: none"><li>A capital and labour</li><li>B capital and land</li><li>C enterprise and land</li><li>D labour and land</li></ul>	<b>7</b>
<p>Which of the following is a factor of production?</p> <ul style="list-style-type: none"><li>A the payment of interest on a bank loan</li><li>B the profit declared by a company in its annual report</li><li>C the skill of the managers of a business</li><li>D the taxes paid to the government</li></ul>	<b>8</b>
<p>What is <b>not</b> a factor of production?</p> <ul style="list-style-type: none"><li>A company shares</li><li>B machinery</li><li>C raw materials</li><li>D unskilled workers</li></ul>	<b>9</b>

<p>Which statement about the factors of production is correct?</p> <p><b>A</b> A river from which a company draws water is called land.</p> <p><b>B</b> Raising finance for a company is called capital.</p> <p><b>C</b> Supervisors employed in a company are called enterprise.</p> <p><b>D</b> The owner of a company is called labour.</p>	<b>10</b>
<p>What is a factor of production?</p> <p><b>A</b> an advantage of producing on a large scale</p> <p><b>B</b> a resource used to produce goods and services</p> <p><b>C</b> a sub-section of a manufacturing process</p> <p><b>D</b> a unit of output</p>	<b>11</b>
<p>Which statement about the factors of production is correct?</p> <p><b>A</b> Capital includes factories and machinery but not roads and ports.</p> <p><b>B</b> Enterprise is more often found in the public sector rather than the private sector.</p> <p><b>C</b> Labour is the factor that takes risks and can become unemployed.</p> <p><b>D</b> Land is the natural factor that can be improved by human action.</p>	<b>12</b>
<p>A university rejects 2000 qualified applicants who wish to study there.</p> <p>What factor of production could have caused the university to make this decision?</p> <p><b>A</b> infinite quantity of capital</p> <p><b>B</b> scarcity of labour</p> <p><b>C</b> surplus of land</p> <p><b>D</b> unlimited supply of enterprise</p>	<b>13</b>