

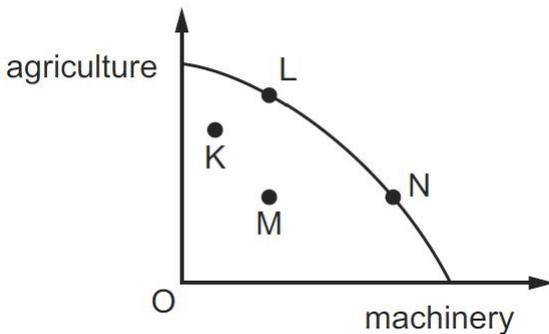
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IGCSE Economics

1.4 Production possibility curve (PPC) diagrams — Question Paper (Student Copy, Set-3)

Q1.

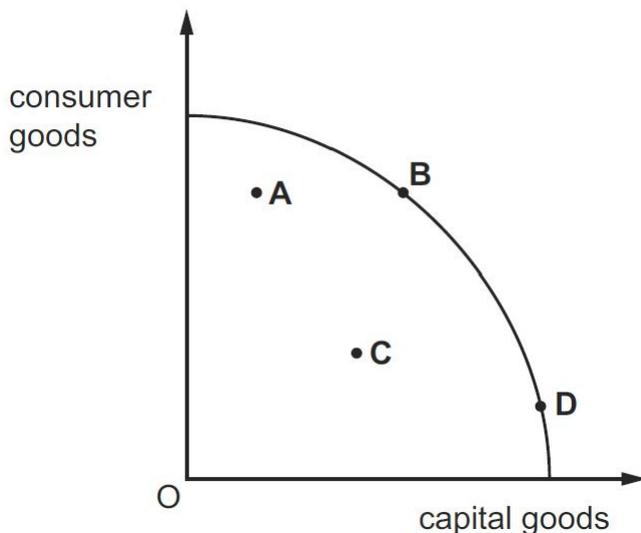
The diagram shows a production possibility curve for agriculture and machinery. As a country develops, its primary production decreases and its secondary production increases. Which movement would represent this change?



- A K to L
- B L to N
- C M to N
- D N to L

Q2.

The diagram shows a production possibility curve (PPC). Which position is most likely to lead to the greatest outward shift of the PPC?



- A All production of goods and services is determined by consumer demand.
- B Ownership of resources is divided between private and public sectors.
- C Producers include any external costs they create in the price of the good.
- D There will always be an even distribution of income and wealth.

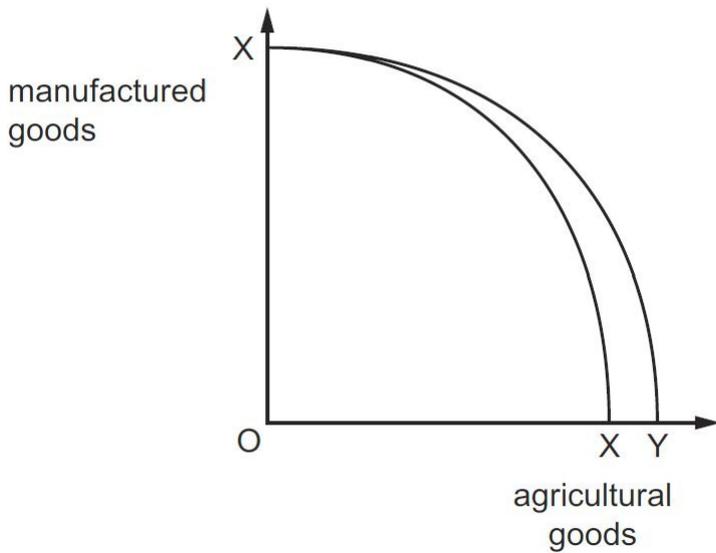
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Q3.

The diagram shows a country's original production possibility curve XX. What could cause the country's production possibility curve to move from XX to XY?



- A a decrease in the price of manufactured goods
- B a major war
- C an improvement in fertilisers
- D an increase in the employment rate

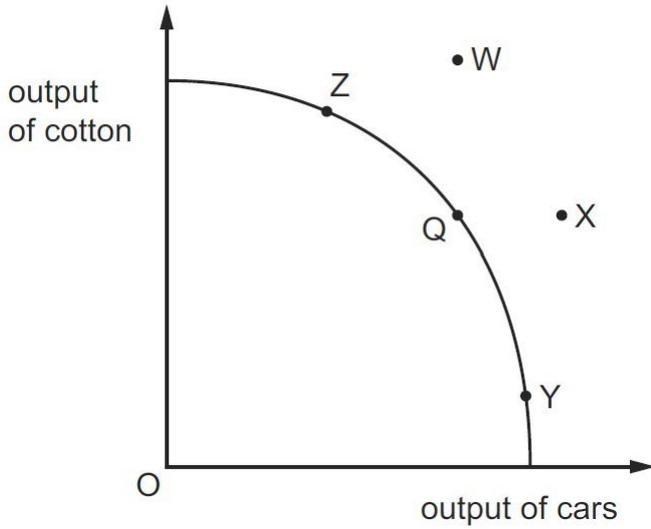
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Q4.

The diagram shows a production possibility curve (PPC) for an economy that can produce cotton and cars. The economy is at point Q. There is improved technology that can only be used in the production of cars. How would this be represented on this diagram?



- A by a movement from Q to W
- B by a movement from Q to X
- C by a movement from Q to Y
- D by a movement from Q to Z

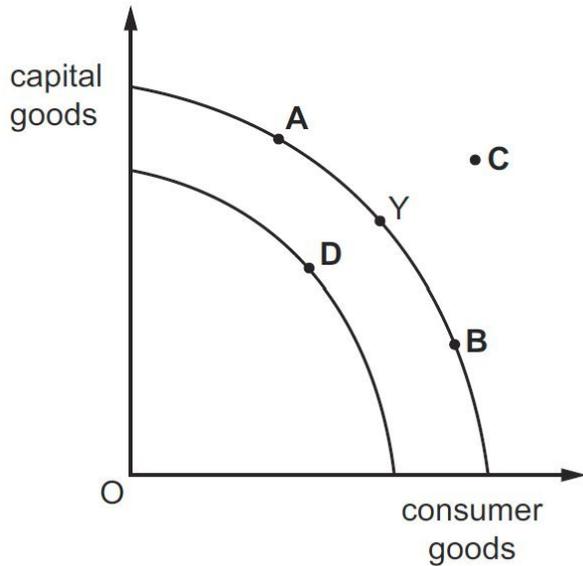
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Q5.

A country's infrastructure was damaged by a natural disaster. Before the disaster, the country was producing at point Y on the production possibility curve (PPC). Which point represents the country's production immediately after the disaster?



- A A
- B B
- C C
- D D

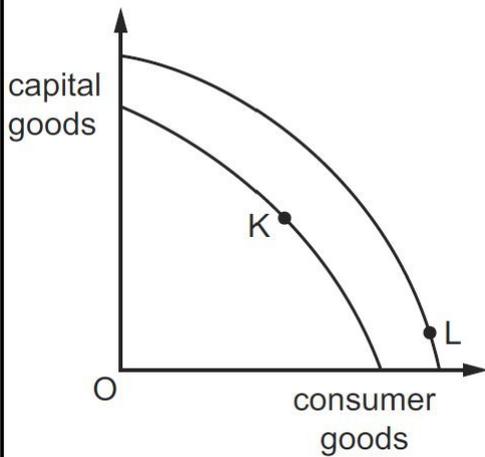
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Q6.

The diagram shows two production possibility curves for a country. What might cause a shift from point K to point L in the country's production?



- A a change in what consumers want to buy
- B a recession
- C more investment
- D the use of previously unemployed resources

Q7.

What would cause a shift in a country's production possibility curve?

- A a fall in unemployment
- B a recovery from a recession
- C a rise in prices
- D the destruction of factories in a war

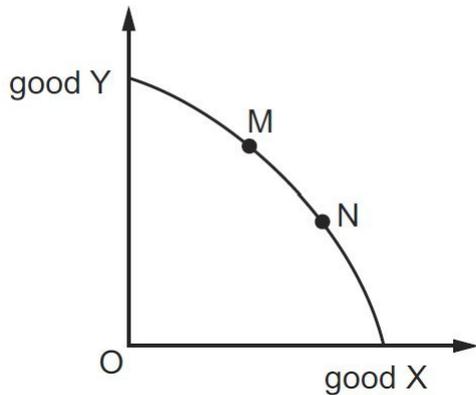
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Q8.

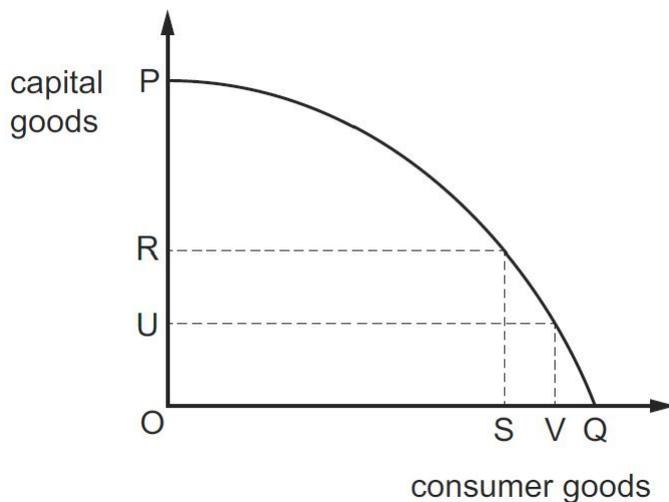
The diagram shows a production possibility curve (PPC) for an economy. What is the reason for the economy moving from point M to point N?



- A decreased unemployment in industries producing good X
- B improvement in technology used to produce good X
- C increased productivity of workers producing good X
- D increased resource allocation to the production of good X

Q9.

The diagram shows a country's production possibility curve (PPC). Which current combination of capital and consumer goods would produce the greatest number of consumer goods in the future?



- A O and Q
- B P and O
- C R and S
- D U and V

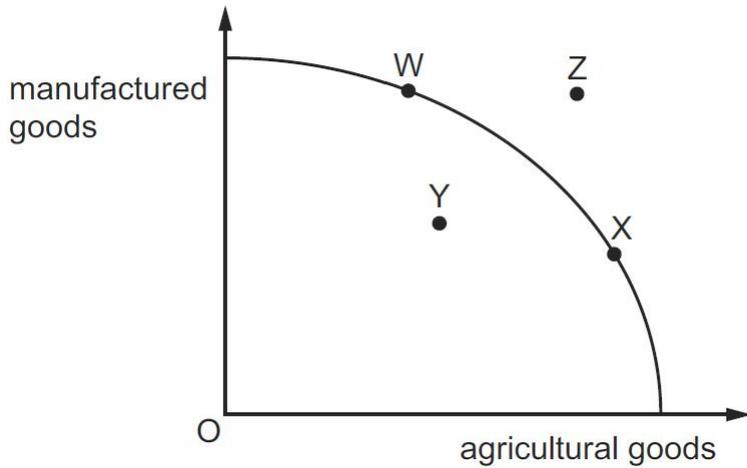
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Q10.

The diagram shows a production possibility curve (PPC). The economy is using all of its available resources. A government decides to encourage more production of manufactured goods instead of agricultural goods. Which movement shows this policy change?



- A W to X
- B W to Y
- C X to W
- D Z to X

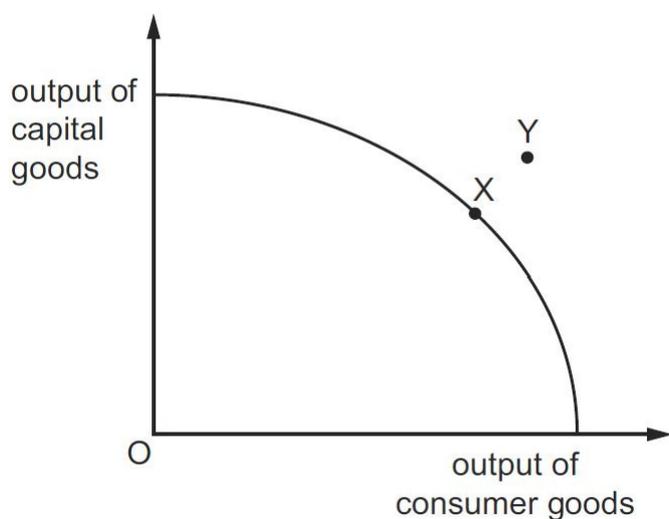
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Q11.

The diagram shows the production possibility curve (PPC) for an economy that is at point X. Which change in the economy's labour market will allow it to reach point Y?



- A employed workers become more productive
- B unemployed workers find new jobs
- C workers emigrate for higher wages
- D workers retire at younger ages