

FACTORS OF PRODUCTION-MARKING SCHEME

1	<p>What would an economist regard as an example of the factor of production capital?</p> <p>A an individual's purchase of stocks and shares</p> <p>B borrowing by a firm to pay for electricity</p> <p>C the building by a firm of a new factory</p> <p>D total savings by individuals in a country</p>
MS-1	C
2	<p>A government wishes to increase agricultural output. It gives farmers the tools to irrigate the farmers' fields.</p> <p>Which factors of production are provided by the farmers?</p> <p>A capital and enterprise</p> <p>B enterprise and labour</p> <p>C labour and land</p> <p>D land and capital</p>
MS-2	C
3	<p>In farming, what is an example of what economists call capital?</p> <p>A savings the farmer has in the bank</p> <p>B shares in a farming company</p> <p>C the money the farmer set aside to pay taxes</p> <p>D the tractor owned by the farmer</p>
MS-3	D
4	<p>What is the function of the factors of production in an economy?</p> <p>A to make goods and services to fulfil wants and needs</p> <p>B to provide an even distribution of income</p> <p>C to provide tax income for the government</p> <p>D to reduce the existence of external costs</p>
MS-4	A

5	<p>In 2016, 20 billion barrels of oil and 1.6 billion barrels of natural gas were discovered in Texas, US.</p> <p>Which factor of production has increased in the US due to this discovery?</p> <p>A capital</p> <p>B enterprise</p> <p>C labour</p> <p>D land</p>
MS-5	D
6	<p>Which statement about factors of production is correct?</p> <p>A Capital is the amount of money borrowed from a bank.</p> <p>B Labour is output made by an employee.</p> <p>C Land includes commercially grown rice crops.</p> <p>D Profit is the reward for enterprise.</p>
MS-6	D