

Smart Exam Resources/Smart Edu Hub

IGCSE-Economics

1.1.1 Finite resources and infinite wants — Question Paper (Student Copy, Set 1)

Q1.

What is the basic economic problem facing all societies?

- A how to achieve price stability
- B how to keep employment levels high
- C the extent to which incomes should be redistributed
- D what will be produced, how and for whom

Q2.

Which terms summarise the nature of the economic problem?

- A finite resources and limited wants
- B finite resources and unlimited wants
- C infinite resources and limited wants
- D infinite resources and unlimited wants

Q3.

What is meant by the economic problem?

- A how to achieve efficiency with the existence of fixed resources and limited wants
- B how to allocate resources between public and private sectors
- C how to balance unlimited wants against finite resources
- D how to decide which methods to use to exploit all resources

Q4.

Which combination of resources and wants causes the economic problem? resources wants

- A limited limited
- B limited unlimited
- C unlimited limited
- D unlimited unlimited

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Q5.

A tractor factory runs out of important components and has to stop production. How does this illustrate the economic problem?

- A The factory lacks a competitive advantage.
- B The factory lacks economies of scale.
- C There are limited wants.
- D There is evidence of scarce resources.

Q6.

Why will the economic problem never be solved?

- A People will always want more products than can be produced.
- B People will never agree on what is the best economic system.
- C There will always be an uneven distribution of income.
- D There will always be some people unemployed.

Q7.

What is the cause of economic scarcity?

- A limited wants with limited resources
- B limited wants with unlimited resources
- C unlimited wants with limited resources
- D unlimited wants with unlimited resources

Q8.

What is the basic economic problem?

- A finite resources and limited wants
- B finite resources and unlimited wants
- C infinite resources and limited wants
- D infinite resources and unlimited wants

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Q9.

Which combination of terms gives the general definition of the economic problem?

- A bigger families, less food, starvation
- B falling supply, rising demand, shortage
- C higher population, fewer jobs, unemployment
- D limited resources, unlimited wants, scarcity

Q10.

What is the cause of scarcity in an economy?

- A high employment levels
- B high investment levels
- C unlimited resources
- D unlimited wants

Q11.

What is part of the economic definition of scarcity?

- A high levels of taxation
- B low levels of investment
- C unequal distribution of income
- D unlimited consumer wants