

SMART EXAM RESOURCES
IGCSE ECONOMICS MCQ-PAPER-1
1 2.2-THE FACTORS OF PRODUCTION

1.2.2-Factor-of-Production

1.

A boat owner employs a crew to catch fish to sell on the market.

Which factors of production are involved in this activity?

- A** labour, capital and enterprise only
- B** land, labour and capital only
- C** land, labour and enterprise only
- D** land, labour, capital and enterprise

2.

What is **not** a factor of production?

- A** company shares
- B** machinery
- C** raw materials
- D** unskilled workers

3.

Which is part of the factor of production land?

- A** an airport
- B** a car park
- C** a fish farm
- D** a forest

4.

What is **not** a factor of production?

- A** a \$10 note
- B** a farm
- C** a printing machine
- D** a teacher

5.

Which of the following is an example of the factor of production 'capital'?

- A** a truck
- B** a truck driver
- C** a truck driver's savings
- D** a truck driver's wage

6.

A university rejects 2000 qualified applicants who wish to study there.

What factor of production could have caused the university to make this decision?

- A** infinite quantity of capital
- B** scarcity of labour
- C** surplus of land
- D** unlimited supply of enterprise

7.

What is a factor of production?

- A** an advantage of producing on a large scale
- B** a resource used to produce goods and services
- C** a sub-section of a manufacturing process
- D** a unit of output

8.

Which of the following is a factor of production?

- A** the payment of interest on a bank loan
- B** the profit declared by a company in its annual report
- C** the skill of the managers of a business
- D** the taxes paid to the government

9.

What is a factor of production?

- A** a semi-skilled, young worker
- B** direct taxes received by a government
- C** shares in a manufacturing company
- D** stocks of money held a bank

10.

Which statement about the factors of production is correct?

- A** Capital includes factories and machinery but not roads and ports.
- B** Enterprise is more often found in the public sector rather than the private sector.
- C** Labour is the factor that takes risks and can become unemployed.
- D** Land is the natural factor that can be improved by human action.

11.

What is an example of the factor of production enterprise?

- A** a shop assistant
- B** a shop's profits
- C** a shop owner
- D** a shopping centre

12.

Which statement about the factors of production is correct?

- A** A river from which a company draws water is called land.
- B** Raising finance for a company is called capital.
- C** Supervisors employed in a company are called enterprise.
- D** The owner of a company is called labour.

13.

\$2bn is invested in developing a country's natural resources and infrastructure.

Which two factors of production does this refer to directly?

- A** capital and labour
- B** capital and land
- C** enterprise and land
- D** labour and land