

A level Cambridge

ECONOMICS

Paper 1
2017 — 2023

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1 - (9708/11_Summer_2017_Q1) - Basic Economic Ideas And Resource Allocation

What must follow when scarcity exists?

- A Consumers have to make choices.
- B Governments are unable to supply public goods.
- C Producers must be misallocating resources.
- D Workers must be earning low wages.

2 - (9708/12_Summer_2017_Q1) - Basic Economic Ideas And Resource Allocation

Scarcity means that goods need to be rationed between competing consumers.

Which basis for rationing is the most likely to result in the most equal distribution of goods?

- A consumer preference
- B market price
- C political decision
- D seller preference

3 - (9708/13_Summer_2017_Q1) - Basic Economic Ideas And Resource Allocation

What is an example of the use of *ceteris paribus*?

- A The rate of increase in wage rates equals the rate of increase in price levels.
- B There is a constant rise in both wage rates and price levels.
- C Wage rates and the price level remain constant at their original levels.
- D Wage rates rise when the only change is a rise in prices.

4 - (9708/11_Summer_2017_Q2) - Basic Economic Ideas And Resource Allocation

What is likely to be introduced in the market for bus travel if an economy moved from a mixed economy to a market economy?

- A allowing companies to bid for bus routes
- B free bus travel for school children
- C maximum prices for bus travel
- D subsidies to bus operators

5 - (9708/12_Summer_2017_Q2) - Basic Economic Ideas And Resource Allocation

In which aspect is the planned economy likely to offer more than the market economy?

- A competition
- B incentive
- C innovation
- D security

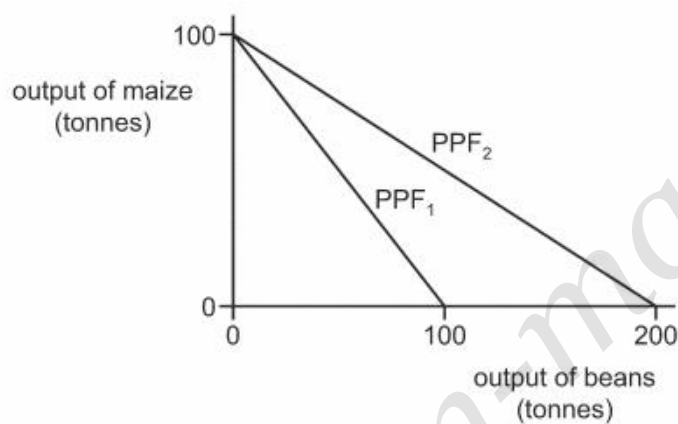
6 - (9708/13_Summer_2017_Q2) - Basic Economic Ideas And Resource Allocation

What is always true of a positive statement?

- A It is based on statistical data.
- B It is possible to test its validity.
- C It is the only basis for economic policy.
- D It overrides any normative statement.

7 - (9708/11_Summer_2017_Q3) - Basic Economic Ideas And Resource Allocation

The diagram shows that the production possibility frontier of maize and beans has changed from PPF₁ to PPF₂.

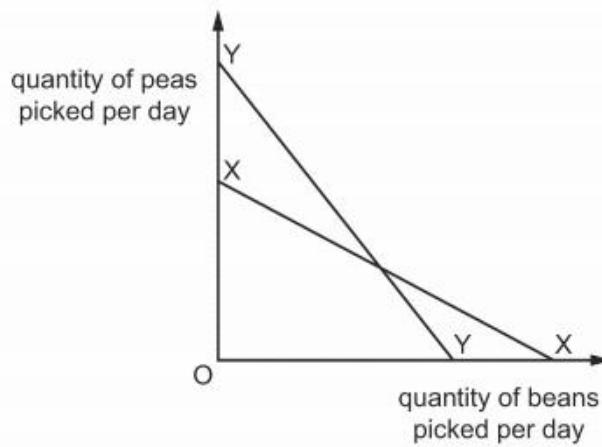


What has happened to the opportunity cost of maize and the returns to factors producing beans?

	opportunity cost of maize	returns to factors producing beans
A	fallen	fallen
B	fallen	risen
C	risen	fallen
D	risen	risen

8 - (9708/12_Summer_2017_Q3) - Basic Economic Ideas And Resource Allocation

Line XX is the production possibility curve (PPC) of a worker picking peas and beans in a 10 hour working day.

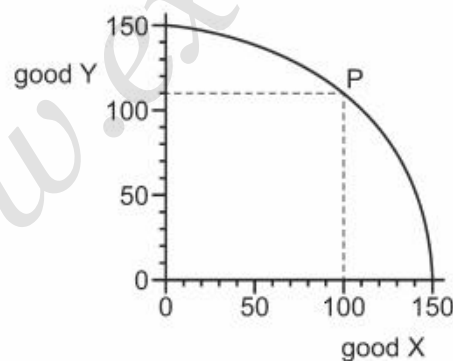


What would cause the worker's PPC to shift to the line YY?

- A a machine that increases the worker's pea picking productivity only
- B a new work schedule where the worker spends 6 hours per day picking peas and only 4 hours picking beans
- C a reduction in working hours to 8 per day and a machine that increases the worker's pea picking productivity
- D a reduction in working hours to 8 per day only

9 - (9708/13_Summer_2017_Q3) - Basic Economic Ideas And Resource Allocation

The diagram shows a production possibility curve for an economy that is producing at point P.



Which quantity of Y is given up to produce the quantity of X shown?

- A 40
- B 50
- C 100
- D 110

ANSWERS

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1 - (9708/11_Summer_2017_Q1) - *Basic Economic Ideas And Resource Allocation*

A

2 - (9708/12_Summer_2017_Q1) - *Basic Economic Ideas And Resource Allocation*

C

3 - (9708/13_Summer_2017_Q1) - *Basic Economic Ideas And Resource Allocation*

D

4 - (9708/11_Summer_2017_Q2) - *Basic Economic Ideas And Resource Allocation*

A

5 - (9708/12_Summer_2017_Q2) - *Basic Economic Ideas And Resource Allocation*

D

6 - (9708/13_Summer_2017_Q2) - *Basic Economic Ideas And Resource Allocation*

B

7 - (9708/11_Summer_2017_Q3) - *Basic Economic Ideas And Resource Allocation*

D

8 - (9708/12_Summer_2017_Q3) - *Basic Economic Ideas And Resource Allocation*

C

9 - (9708/13_Summer_2017_Q3) - *Basic Economic Ideas And Resource Allocation*

A

10 - (9708/11_Summer_2017_Q4) - *Basic Economic Ideas And Resource Allocation*

B