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A Level Economics Topic Questions / Paper 2

Topic: 1.1 Scarcity, choice and opportunity cost

Question-1

Explain with the help of a diagram why production possibility curves are usually drawn with increasing opportunity costs, and show how they can be used to illustrate scarcity. [8]

Question-2

Explain how a production possibility curve with increasing opportunity costs illustrates the consequences of a government's choice to produce more military goods. Use a diagram to support your answer. [8]

Question-3

Use a diagram(s) to explain how a production possibility curve can be used to show opportunity cost and why such a curve is usually drawn with increasing opportunity costs. [8]

Question-4

Explain how 'a product's price acts as a signal of its scarcity'. [2]

Question-5

Explain how a production possibility curve can be used to demonstrate scarcity, choice and opportunity cost. [8]