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A Level Economics Topic Questions / Paper 2

Topic: 1.3 Factors of production

Question-1

Use production possibility curve (PPC) diagrams to explain the effect on an economy's output of (i) increased use of its existing labour, and (ii) an increased availability of natural resources. [8]

Question-2

Explain with the help of a production possibility curve diagram(s) how a decision to re-allocate resources in an economy to produce more capital goods and fewer consumer goods would affect consumers in both the short run and the long run. [8]

Question-3

Explain how division of labour can affect labour productivity. [8]

Question-4

Explain how a country's production possibility curve depends upon its factors of production. [8]

Question-5

Explain the role that a government should fulfil in a mixed economy. [8]