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A Level Economics Topic Questions / Paper 2

Topic: 1.3 Factors of production

Question-1

Explain why the successful operation of the division of labour depends upon the use of money. [8]

Question-2

Explain whether the factors of production are always of equal economic importance within and between economies. [8]

Question-3

Explain how the contribution of each factor of production differs in an agricultural economy from that in an industrialised economy. [8]

Question-4

Outline the functions of the factor enterprise in a modern economy, and explain how enterprise responds to a rise in the demand for a good. [8]

Question-5

Explain the role of the factor enterprise in allocating resources in a market economy when there is an increase in the demand for a good. Use a diagram to support your answer. [8]