

NAME _____



A Level Economics: Summer Task 2017

Q1	The study of economics is said to focus on three key questions. The first two questions are 'what?' and 'how?' What is the last question, and who is the Nobel Prize winning economist responsible for the questions?	A 'Why?' Adam Smith	The correct answer is...
		B 'For whom?' Samuelson	
		C 'So what?' Marx	
		D 'Really?' Travis	
Q2	Economists refer to capital goods as goods that generate further output. Which of the following is an example of a capital good	A Cows	The correct answer is...
		B Factory	
		C Big Mac Meal	
		D Hotel service	
Q3	A command economy is one way of deciding how resources are allocated. Who decides what goods are produced in a command economy?	A Government	The correct answer is...
		B Businesses	
		C Workers	
		D Trade unions	
Q4	Which of the following theorists supported the idea of command economy	A Adam Smith	The correct answer is...
		B Milton Friedman	
		C Karl Marx	
		D Friedrich von Hayek	
Q5	When economists refer to a demand curve, they are discussing the relationship between the price of the good and quantity bought of the good. For most goods, economists expect this relationship to be...	A Positive	The correct answer is...
		B No relationship	
		C Weak	
		D Inverse	
Q6	Which of the following is a 'free good?'	A Education	The correct answer is...
		B Healthcare	
		C Air	
		D Water	
Q7	Money is primarily used as a medium of exchange, rather than having a barter economy. This avoids the issue of...	A double coincidence of wants	The correct answer is...
		B going to the bank	
		C using credit cards	
		D saving in a piggy bank	
Q8	Which of the following is NOT an economic agent	A Government	The correct answer is...
		B Businesses	
		C Households	
		D Universities	
Q9	A rational business aims to maximise...	A Costs	The correct answer is...
		B Profits	
		C Money	
		D Shareholders	
Q10	The payment made to labour is called...	A Wages/Salaries	The correct answer is...
		B Rent	
		C Profit	
		D Interest	

Research essay (Handwritten on one side of A4): **Using Adam Smith's pin factory example, explain how specialisation and the division of labour increase business production.**