

5 In the USA the average price of an all-you-can-eat buffet is \$20.

The table shows the marginal utility gained from consuming each plate of food from the buffet for a typical consumer.

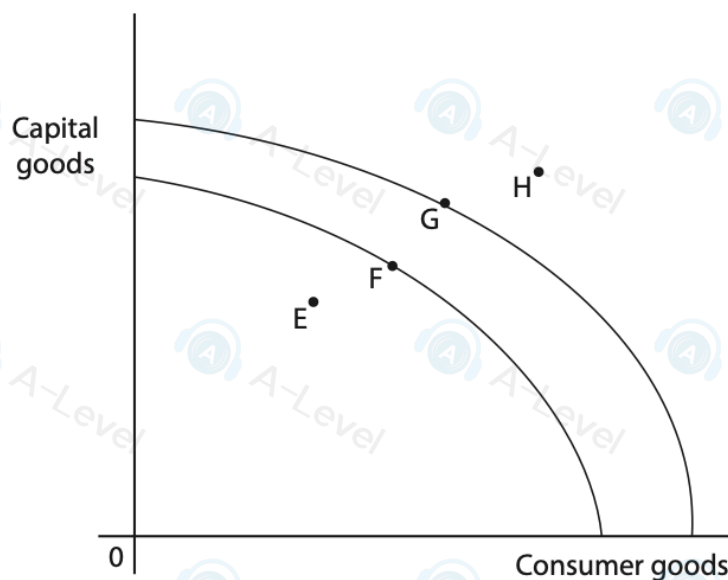
Plate	Marginal utility
1st	6
2nd	4
3rd	2
4th	1
5th	-2

At which **one** of the following would total utility be maximised?

- A 2nd plate
- B 3rd plate
- C 4th plate
- D 5th plate

(Total for Question 5 = 1 mark)

5 The diagram shows two production possibility frontiers (PPFs) for an economy.



Which **one** of the following can be deduced from this diagram?

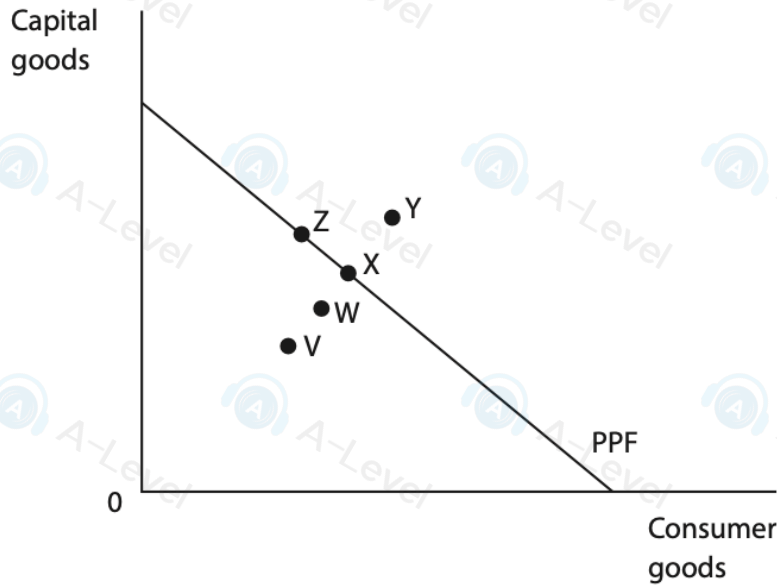
- A A movement from Point E to Point F indicates an increase in unemployment
- B A movement from Point G to Point F indicates that more consumer goods would be produced
- C A movement from Point F to Point G indicates economic growth
- D A movement from Point G to Point H indicates that resources are not being used efficiently

(Total for Question 5 = 1 mark)

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6 The diagram shows the production possibility frontier (PPF) for a small country.



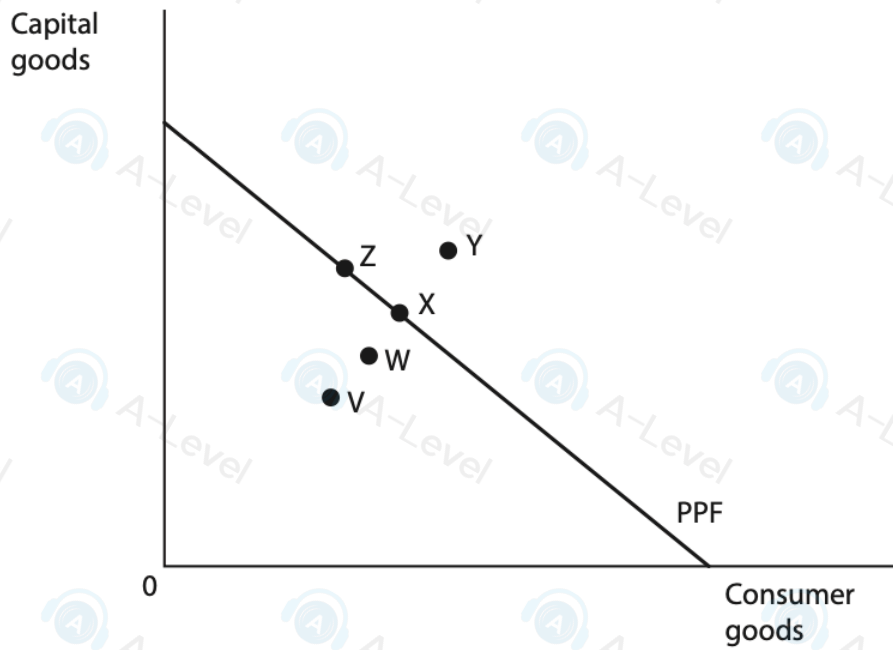
Which **one** of the following can be deduced from the diagram?

- A** The movement from Z to Y is obtainable using currently available resources
- B** The movement from Z to X has an opportunity cost in terms of consumer goods
- C** The movement from V to W results in a decrease in unemployment
- D** The movement from X to W results in an increase in efficiency

(Total for Question 6 = 1 mark)

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6 The diagram shows the production possibility frontier (PPF) for a small country.



Which **one** of the following can be deduced from the diagram?

- A** The movement from X to Y is obtainable using current available resources
- B** The movement from X to Z has an opportunity cost in terms of capital goods
- C** The movement from V to W results in an increase in unemployed resources
- D** The movement from W to X results from improved efficiency

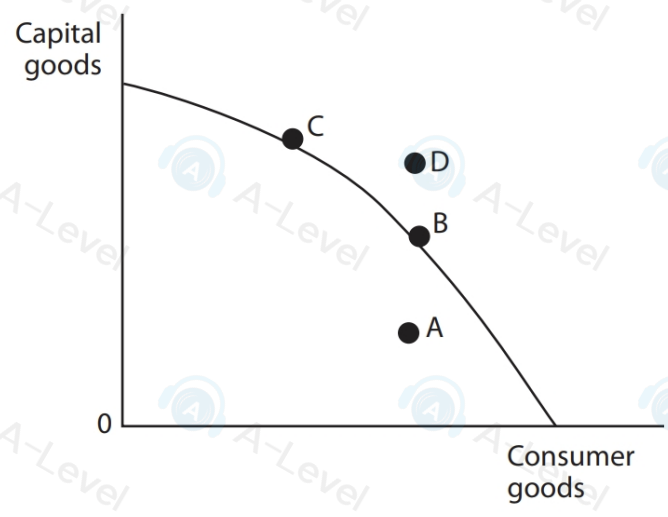
(Total for Question 6 = 1 mark)

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5 The diagram shows a production possibility frontier for an economy.



Which point on the diagram shows the position that will lead to the fastest rate of economic growth?

- A
- B
- C
- D

(Total for Question 5 = 1 mark)

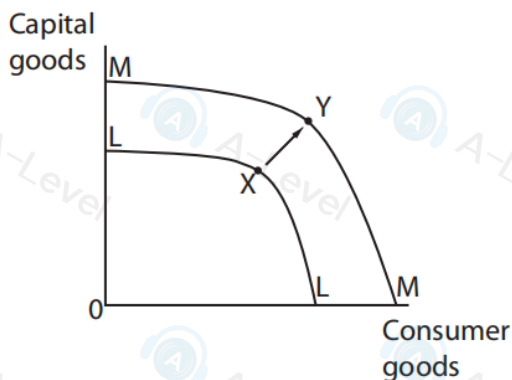


1 The diagrams show the production possibility frontiers for Singapore's economy. It is operating at point X on the production possibility frontier LL.

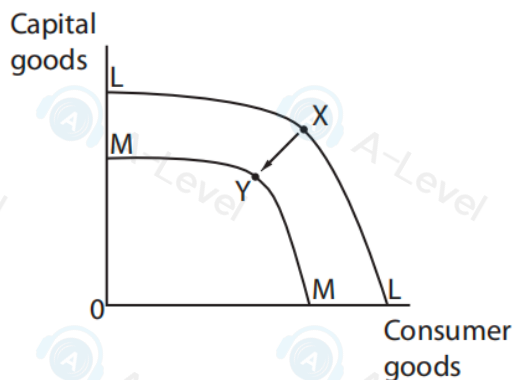
Singapore's population is expected to increase by 90 000 next year.

In which **one** of the diagrams does the movement from X to Y illustrate this expected increase in population if the economy still operates at its maximum productive potential?

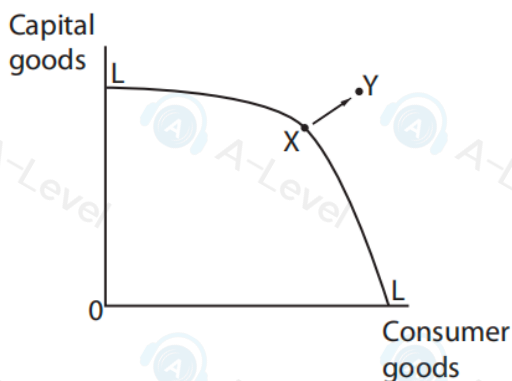
A



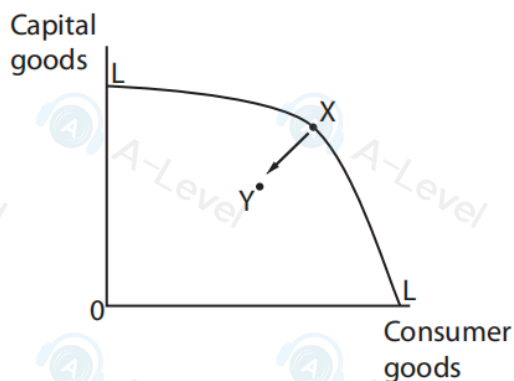
B



C



D



(Total for Question 1 = 1 mark)

11 In 2023 there were 999 700 more immigrants who entered the USA than emigrants who left the country.

Explain the likely impact on the USA's production possibility frontier (PPF) of this change in migration.

Illustrate your answer with a fully labelled PPF diagram.

8 Many hotels offer an all-you-can-eat breakfast buffet. 80% of hotel guests go to the breakfast buffet three times for food but only 10% visit five times.

With reference to hotel breakfasts, explain why the above information illustrates 'diminishing marginal utility'.

9 Adam Smith wrote that by applying the division of labour in a pin factory, ten workers were able to increase production from 200 pins per day to 48 000 pins per day.

Explain **one** advantage to firms of using division of labour to organise production.

- 9 Prior to 1920 each worker at Henry Ford's car company would manufacture an entire car from start to finish. In the 1920s the company started to use an assembly line where each worker only completed a particular task.

Explain **one** advantage to a car manufacturer of using the division of labour to organise production.

- 8 The construction of a house requires many different types of worker. These include:

- bricklayers
- carpenters
- plasterers
- electricians
- painters and decorators.

Explain **one** advantage of specialisation in house construction.