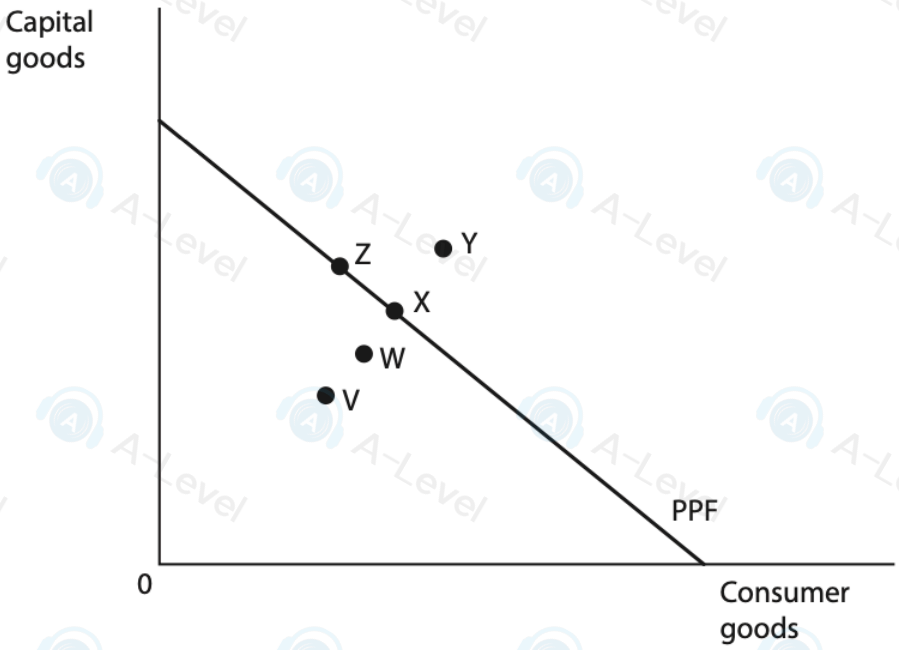
1 Which **one** of the following best describes the nature of economics?

- ☒ **A** Economics is a physical science
- ☒ **B** Economics is a social science
- ☒ **C** Economists investigate the allocation of unlimited resources to satisfy limited wants
- ☒ **D** Economists use scientific experiments keeping all variables unchanged

(Total for Question 1 = 1 mark)

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

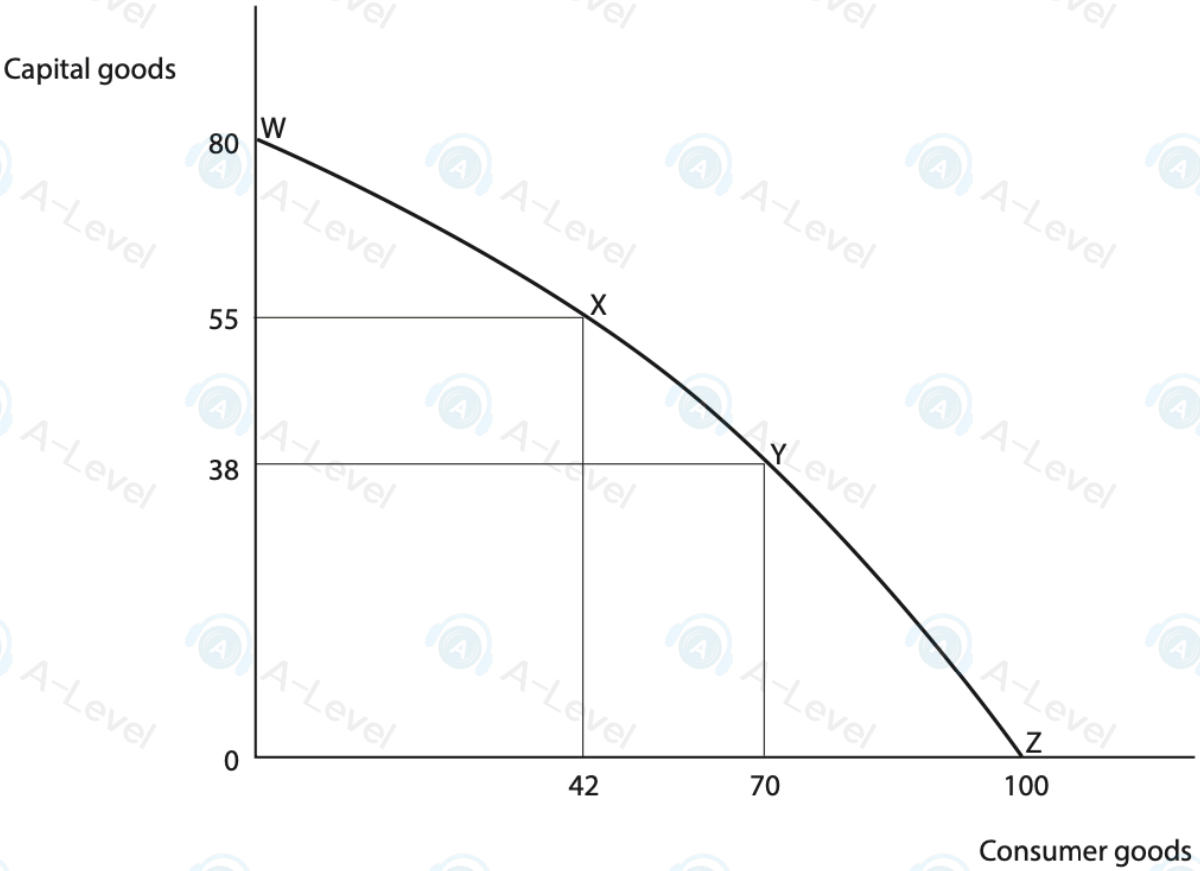
(Total for Question 6 = 1 mark)

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4 The diagram shows the production possibilities for an economy.

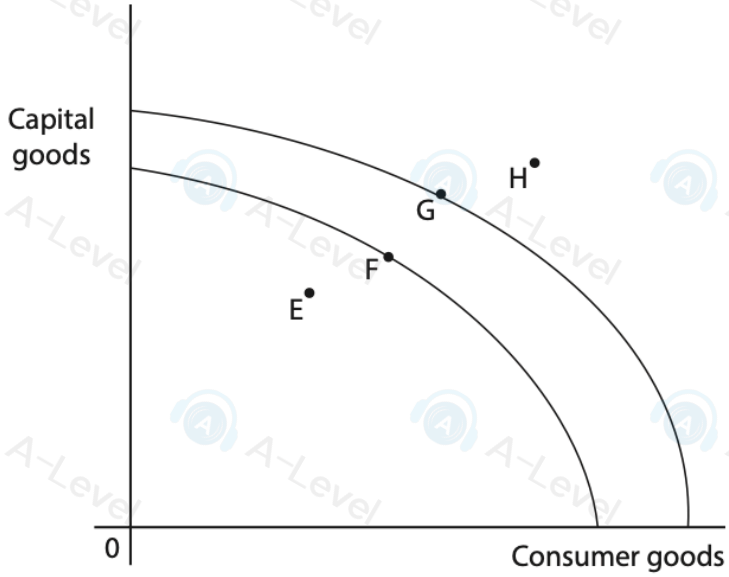


Which **one** of the following can be deduced from the diagram?

- ☒ **A** The movement from W to X has an opportunity cost of 42 consumer goods
- ☒ **B** The movement from Y to Z has an opportunity cost of 30 consumer goods
- ☒ **C** The movement from X to Y has an opportunity cost of 17 capital goods
- ☒ **D** The movement from Y to X has an opportunity cost of 28 capital goods

(Total for Question 4 = 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)

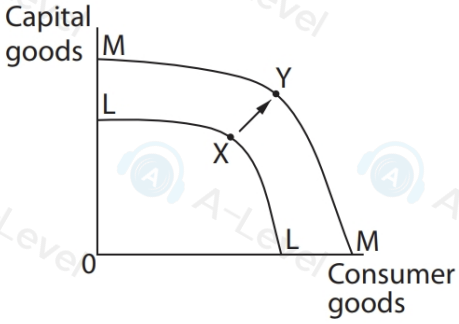
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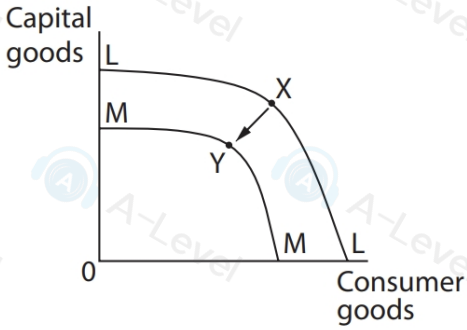
3 In April 2015 an earthquake in Nepal killed 8 000 people. Assume the economy was operating efficiently at full employment.

Which **one** of the following diagrams best illustrates the impact of the earthquake on Nepal's economy assuming it continued to operate at full employment?

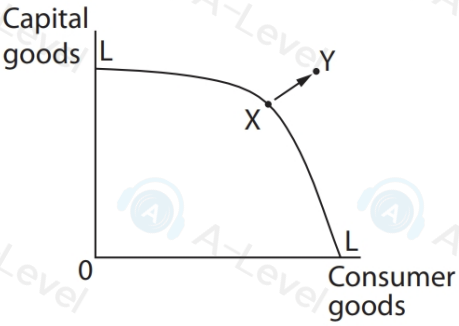
☒ **A**



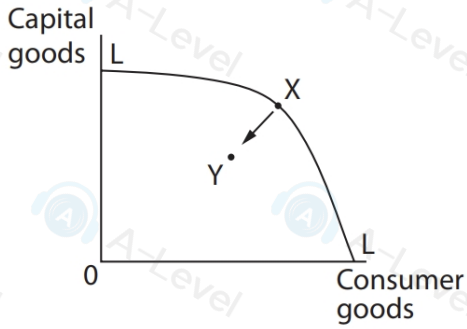
☒ **B**



☒ **C**

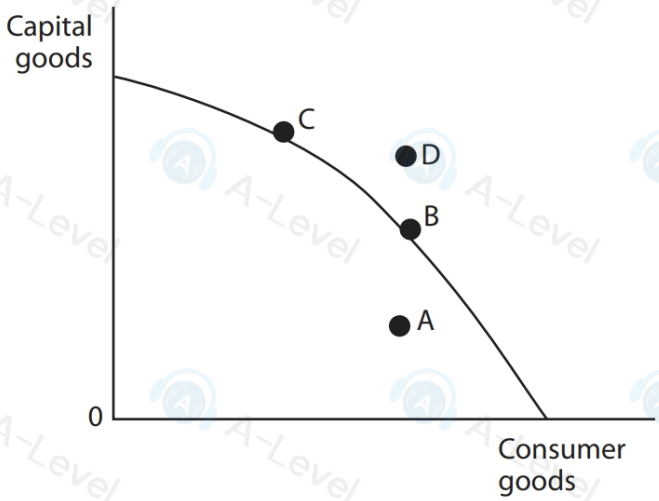


☒ **D**



(Total for Question 3 = 1 mark)

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)

7 According to researchers, by 2030, Artificial Intelligence will potentially increase China's output by $7 trillion.

Draw a diagram to illustrate the impact of Artificial Intelligence on China's production possibility frontier (PPF).

Include an arrow on your PPF diagram.

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.

7 In 2018 there were 1.59 million immigrants arriving in Germany and 1.19 million emigrants leaving Germany.

Draw a diagram to illustrate the likely impact of this population change on Germany's production possibility frontier.

Include an arrow to show the direction of the shift.

7 In 2000 the population of Qatar was 592 267. By 2018 the population had increased to 2 694 849. Most of this growth was caused by immigration.

Draw a diagram to illustrate the impact of this change in Qatar's population on its production possibility frontier.

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8 **Statement 1:** Producers of renewable energy received subsidies of $140 billion globally in 2016. Producers of non-renewable energy received subsidies of $260 billion.

Statement 2: Subsidies for renewable energy should be increased and subsidies for non-renewable energy should be decreased.

With reference to Statement 1 and Statement 2, explain the difference between positive statements and normative statements.

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13 The table shows predictions about population change produced by the United Nations for selected countries.

Country	2021	2100
United Arab Emirates	9.4 million	14.1 million
Bolivia	12.1 million	18.8 million
Philippines	113.9 million	180.2 million

(Source: adapted from https://ourworldindata.org/grapher/comparison-of-world-population-projections)

Evaluate possible factors that could cause a rightward shift of a country's production possibility frontier.

Include at least one relevant diagram in your answer.

(Total for Question 13 = 20 marks)

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