SUVA GRAMMAR SCHOOL
YEAR 13 ECONOMICS
WORKSHEET 5

SECTION A MULTIPLE CHOICE [5marks]

1.
The unemployment rate and the economic indicator of Real Gross Domestic Product are the economic issues that come under
A. macroeconomics. B. microeconomics.
C. wishful thinking. D. fallacy of composition.

2.
The economist who defined economics as the study of mankind in the ordinary business of life was
A. John Maynard Keynes. B. Milton Friedman.
C. Alfred Marshall. D. John Stuart Mill.

3.
Points that lie on the transformation curve are said to be
A. production efficient. B. economic inefficient.
C. allocative inefficient. D. consumption efficient.

4.
The Principle of the Invisible Hand is an attributable belief of the
A. Keynesian school of economic thinking. B. Classical school of economic thinking.
C. Neo-classical school of thought. D. Marxism school of thought.

5.
Economic scarcity exists because
A. the government intervenes to correct market failures.
B. consumers have unlimited wants but there are limited resources available.
C. the market often achieves production efficiency but not allocative efficiency.
D. free goods are not available in sufficient quantities to meet consumer demand.

1. Economics is science.
   Explain the statement above. **(1 mark)**

2. Distinguish between Macroeconomics and Microeconomics and give an example of each. **(2 marks)**

3. State and explain 2 methods of inquiry and investigating science. **(3 marks)**

4. "Trying to satisfy all our wants is like walking to the horizon." Explain. **(2 marks)**