A level Cambridge

ECONOMICS

Paper 1
2017 — 2023

Chapter 1	**Basic Economic Ideas And Resource Allocation**	Page 1
Chapter 2	**The Price System And The Micro Economy**	Page 59
Chapter 3	**Government Microeconomic Intervention**	Page 205
Chapter 4	**The Macro Economy**	Page 288
Chapter 5	**Government Macro Intervention**	Page 415
Chapter 6	**International Economic Issues**	Page 474
	Answers	Page 477

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ECONOMICS 9708

TOPICAL PAST PAPER WORKSHEETS

2017 - 2023 | Questions + Mark scheme

AVAILABLE PAPERS

P1
1324 Questions

P3
1301 Questions

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TOPICS	P1	P3
Basic Economics Ideas & Resource Allocation	181	119
The Price System & the Micro Economy	376	431
Government Microeconomic Intervention	225	212
The Macro Economy	362	399
Government Macro Intervention	173	126
International Economics	7	14

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1 - (9708/11_Summer_2017_Q1) - *Basic Economic Ideas And Resource Allocation*

What must follow when scarcity exists?

A Consumers have to make choices.

B Governments are unable to supply public goods.

C Producers must be misallocating resources.

D Workers must be earning low wages.

2 - (9708/12_Summer_2017_Q1) - *Basic Economic Ideas And Resource Allocation*

Scarcity means that goods need to be rationed between competing consumers.

Which basis for rationing is the most likely to result in the most equal distribution of goods?

A consumer preference

B market price

C political decision

D seller preference

3 - (9708/13_Summer_2017_Q1) - *Basic Economic Ideas And Resource Allocation*

What is an example of the use of *ceteris paribus*?

A The rate of increase in wage rates equals the rate of increase in price levels.

B There is a constant rise in both wage rates and price levels.

C Wage rates and the price level remain constant at their original levels.

D Wage rates rise when the only change is a rise in prices.

4 - (9708/11_Summer_2017_Q2) - *Basic Economic Ideas And Resource Allocation*

What is likely to be introduced in the market for bus travel if an economy moved from a mixed economy to a market economy?

A allowing companies to bid for bus routes

B free bus travel for school children

C maximum prices for bus travel

D subsidies to bus operators

5 - (9708/12_Summer_2017_Q2) - *Basic Economic Ideas And Resource Allocation*

In which aspect is the planned economy likely to offer more than the market economy?

A competition

B incentive

C innovation

D security

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6 - (9708/13_Summer_2017_Q2) - *Basic Economic Ideas And Resource Allocation*

What is always true of a positive statement?

A It is based on statistical data.

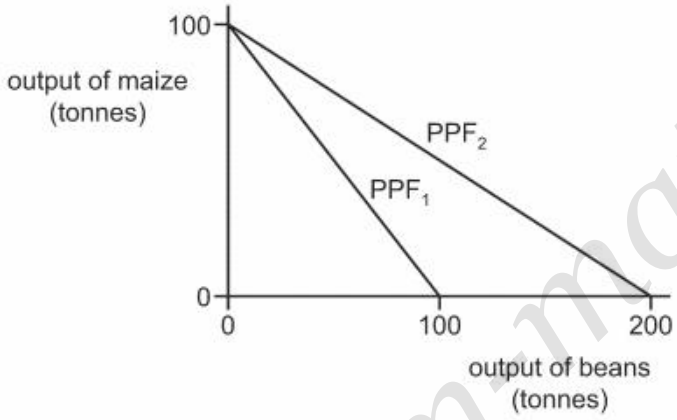
B It is possible to test its validity.

C It is the only basis for economic policy.

D It overrides any normative statement.

7 - (9708/11_Summer_2017_Q3) - *Basic Economic Ideas And Resource Allocation*

The diagram shows that the production possibility frontier of maize and beans has changed from PPF_1 to PPF_2.



What has happened to the opportunity cost of maize and the returns to factors producing beans?

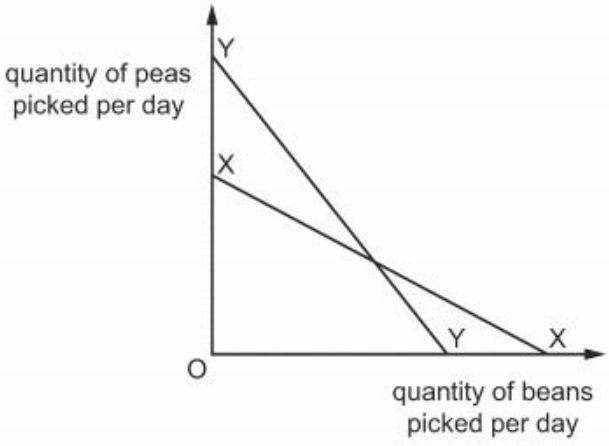
	opportunity cost of maize	returns to factors producing beans
A	fallen	fallen
B	fallen	risen
C	risen	fallen
D	risen	risen

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8 – (9708/12_Summer_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

Line XX is the production possibility curve (PPC) of a worker picking peas and beans in a 10 hour working day.



What would cause the worker's PPC to shift to the line YY?

A a machine that increases the worker's pea picking productivity only

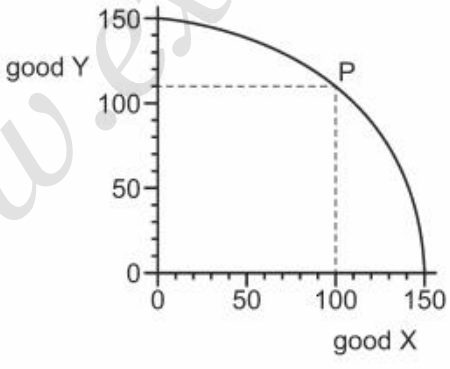
B a new work schedule where the worker spends 6 hours per day picking peas and only 4 hours picking beans

C a reduction in working hours to 8 per day and a machine that increases the worker's pea picking productivity

D a reduction in working hours to 8 per day only

9 – (9708/13_Summer_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

The diagram shows a production possibility curve for an economy that is producing at point P.



Which quantity of Y is given up to produce the quantity of X shown?

A 40 **B** 50 **C** 100 **D** 110

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10 – (9708/11_Summer_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

An individual buys a ticket to visit a government-owned art gallery.

How would this visit be classified by an economist?

A private and demerit good

B private and merit good

C public and demerit good

D public and merit good

11 – (9708/12_Summer_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

Four students are given the following list of assets.

- a three bedroom house
- banknotes and coins in a purse
- money in a bank savings account
- shares in a public limited company

The students are asked to order the assets from the most liquid to the least liquid and the table shows their choices.

Which student is correct?

	most liquid ⟶			least liquid
A	notes and coins	savings account	shares	house
B	notes and coins	savings account	house	shares
C	notes and coins	shares	savings account	house
D	savings account	notes and coins	shares	house

12 – (9708/13_Summer_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

What is an accurate statement about different types of goods?

A Free goods are offered for sale at a loss-making price.

B Merit goods generate more consumer surplus than producer surplus.

C Private goods can be consumed with no opportunity cost.

D Public goods can be used by additional consumers with no extra production cost.

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13 – (9708/12_Summer_2017_Q5) – *Basic Economic Ideas And Resource Allocation*

How would an economist establish the market demand curve for a private good?

A by adding consumer surplus to total expenditure

B by combining individual demand curves horizontally

C by combining the price elasticity of individual demands

D by multiplying price by quantity demanded

14 – (9708/11_Winter_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

A teacher asks four students to fill in the gaps in the following sentence.

'A positive economic statement is ……1…… statement that ……2…… be tested using factual evidence, whereas a normative economic statement is ……3…… statement that ……4…… be tested using factual evidence.'

The students' answers are shown in the table.

Which student is correct?

	1	2	3	4
A	an objective	can	a subjective	cannot
B	an objective	cannot	a subjective	can
C	a subjective	can	an objective	cannot
D	a subjective	cannot	an objective	can

15 – (9708/12_Winter_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

To overcome the problem of scarcity, countries with few natural resources need to concentrate on the quality of human resources.

Which set of policies would be most appropriate?

	natural resources policy	human resources policy
A	develop renewable energy supplies	improve education and training
B	plan the allocation of resources	discourage automation
C	protect land resources	protect jobs in manufacturing
D	restrict imports of raw materials	restrict influx of skilled migrants

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16 – (9708/12_Winter_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

A government decides to subsidise farms producing milk in its country.

Which question about this decision is a normative question rather than a positive question?

A How much will milk production increase?

B How should essential products, such as milk, be produced?

C How will employment in the milk industry change?

D How will milk prices change?

17 – (9708/13_Winter_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

What is least likely to happen if a firm decides to increase automation and division of labour in its production process?

A an increase in cost per unit

B an increase in productivity

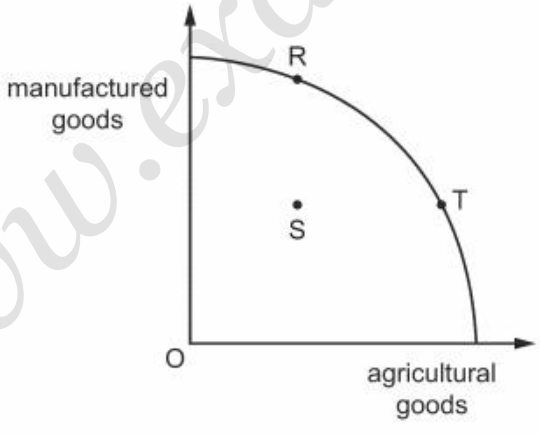
C an increase in the firm's profits

D an increase in the number of workers employed

18 – (9708/11_Winter_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

Farmers using traditional methods lack access to finance and often employ family members on a part-time basis.

If working practices in agriculture could be improved, how would this be likely to be shown on the production possibility curve?



A by a movement from R to T

B by a movement from S to R

C by a movement from S to T

D by a movement from T to R

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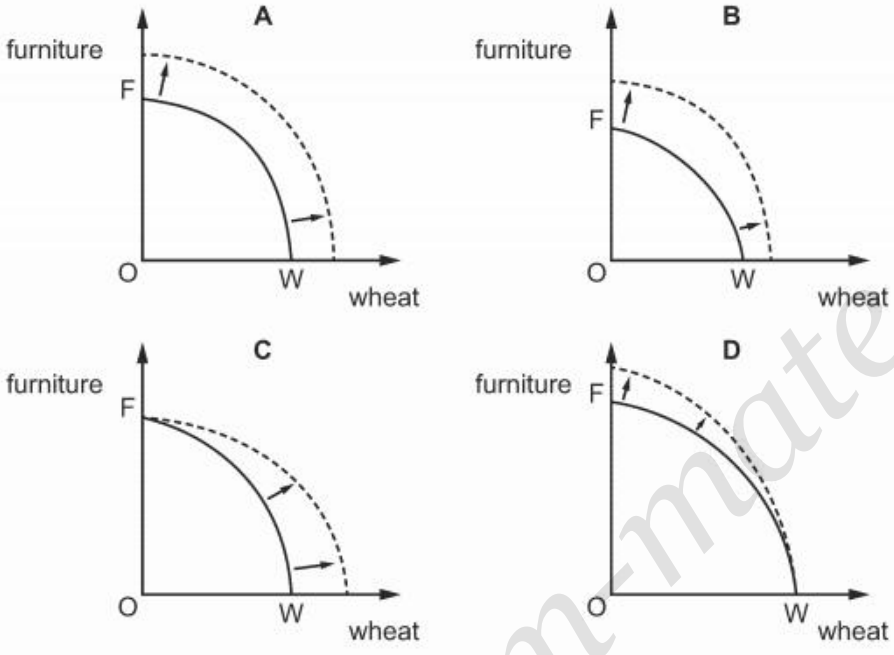
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19 – (9708/12_Winter_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

Economy X uses its resources in the labour-intensive production of wheat and wooden furniture as shown by the production possibility curve FW.

With the help of new strains of wheat seeds, X increased yields and shifted to a new production possibility curve.

Which diagram depicts this change?

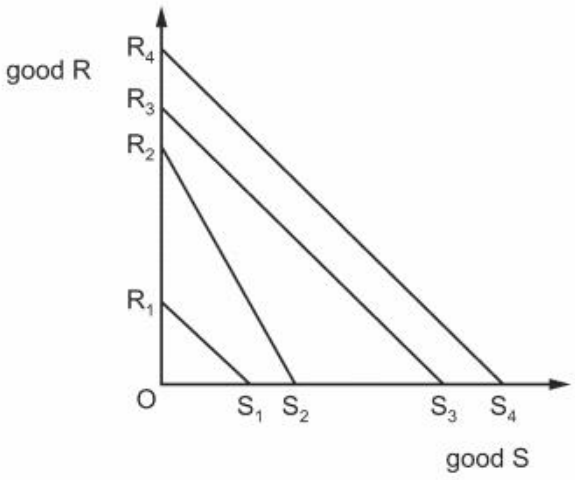


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20 – (9708/13_Winter_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

R_1S_1, R_2S_2, R_3S_3 and R_4S_4 are production possibility curves (PPC) for four different countries 1, 2, 3 and 4.



Which statement about the opportunity cost of good R in terms of good S is **not** correct?

A It is greater at all points on R_4S_4 than on R_3S_3.

B It is greater in country 3 than country 2.

C It is lower in country 2 than country 1.

D It is the same at each point on R_3S_3.

21 – (9708/11_Winter_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

Which types of good are distinguished from one another by the presence or absence of opportunity cost?

A demerit and merit goods

B economic and free goods

C inferior goods and normal goods

D private and public goods

22 – (9708/12_Winter_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

What is most likely to severely affect the ability of money to act as a medium of exchange?

A a devaluation of a country's rate of exchange for foreign currency

B an increase in the money supply

C a very high rate of inflation

D a very high rate of interest

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23 – (9708/13_Winter_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

Many governments are concerned that the high sugar content in fizzy drinks might lead to health problems such as obesity. These governments are also concerned about the lack of public awareness of the dangers.

What can be concluded from this?

A Consumers of fizzy drinks have information failures.

B Consumers under-consume fizzy drinks.

C Fizzy drinks are merit goods.

D Fizzy drinks are non-excludable.

24 – (9708/11_Summer_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

What would be an opportunity cost of growth in an economy?

A the faster growth of services than of manufacturing

B the need for an increased level of imported raw materials

C the need for greater government intervention

D the reduction of consumption if growth requires investment

25 – (9708/12_Summer_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

The statements refer to the proposal to build another runway at London's Heathrow airport.

Which statement is normative?

A Heathrow is the UK's busiest airport and has more flights than any other European airport.

B The airport is highly competitive but there is spare capacity.

C The potential net benefit of expansion is around £5 billion over 70 years.

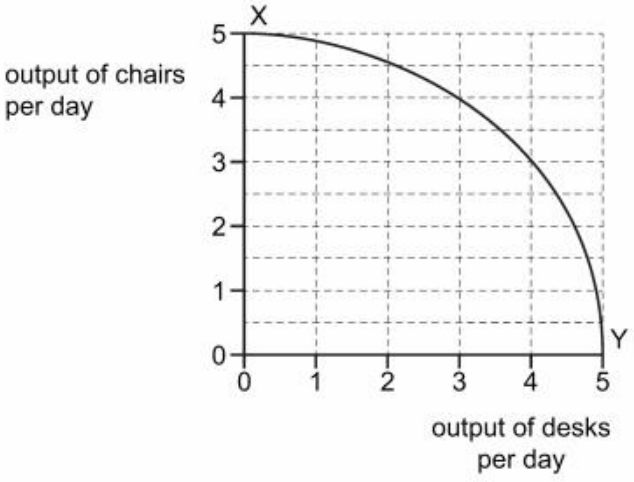
D We should concentrate on improving the use of existing capacity not build another runway.

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26 – (9708/13_Summer_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

XY is the production possibility curve (PPC) of a firm that produces desks and chairs.



What are the opportunity costs of the 4th and 5th desks produced by the firm?

	opportunity cost of 4th desk	opportunity cost of 5th desk
A	1 chair	3 chairs
B	2 chairs	5 chairs
C	3 chairs	0 chairs
D	4 chairs	5 chairs

27 – (9708/11_Summer_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

A ……1…… economic statement is an objective statement that ……2…… be tested using factual evidence, whereas a ……3…… economic statement is a subjective statement that ……4…… be tested using factual evidence.

Which words complete gaps 1, 2, 3 and 4?

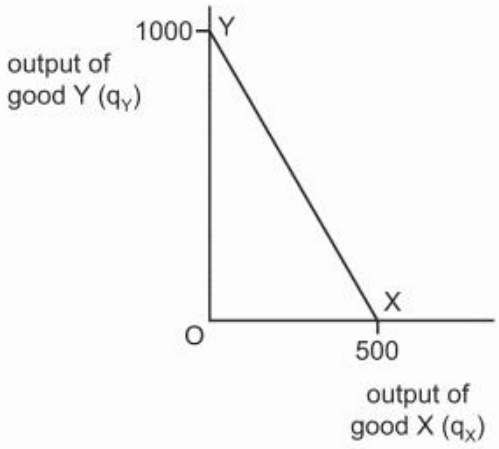
	1	2	3	4
A	normative	can	positive	cannot
B	normative	cannot	positive	can
C	positive	can	normative	cannot
D	positive	cannot	normative	can

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28 – (9708/12_Summer_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

YX is an economy's production possibility curve (PPC).

The equation of the curve is $q_Y = 1000 - 2q_X$.



What is the opportunity cost of producing one extra unit of good X?

A $\frac{1}{2}$ unit of good Y

B 2 units of good Y

C 500 units of good Y

D 1000 units of good Y

29 – (9708/13_Summer_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

A government proposes to introduce a road congestion charge which would require private motorists to pay a toll for road use.

Which statement relating to the proposal is normative?

A Bus passengers will benefit at the expense of motorists.

B Motorists with higher incomes will be prepared to pay the charge in return for reduced journey times.

C Motorists with lower incomes will not be able to afford to use the roads.

D The proposal will be unfair to motorists who have no alternative means of transport.

30 – (9708/11_Summer_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

What would most likely be considered an advantage by producers and a disadvantage by consumers of the operation of a planned economy?

A a bureaucratic system of decision-making

B a government emphasis on the production of capital goods

C a long response time to changing economic events

D an absence of financial incentives to work and to produce

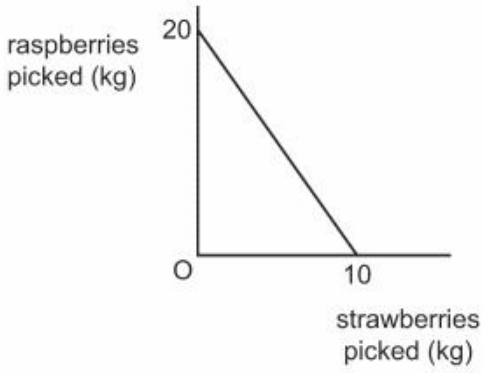
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31 – (9708/12_Summer_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

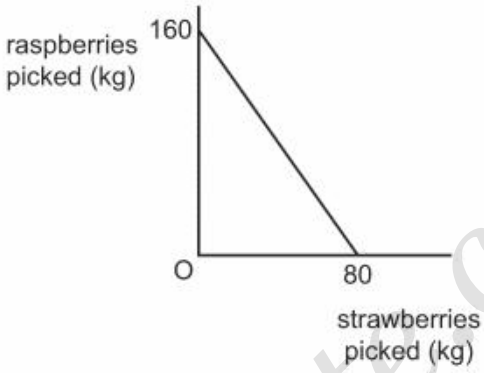
A farmer picks 10 kg of strawberries in each hour. The farmer is twice as productive at picking raspberries.

Which diagram shows the farmer's daily production possibility curve when working 8 hours a day?

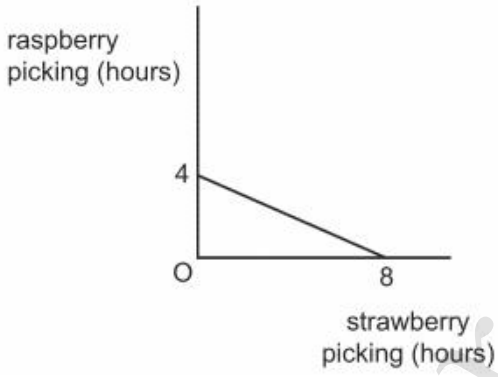
A



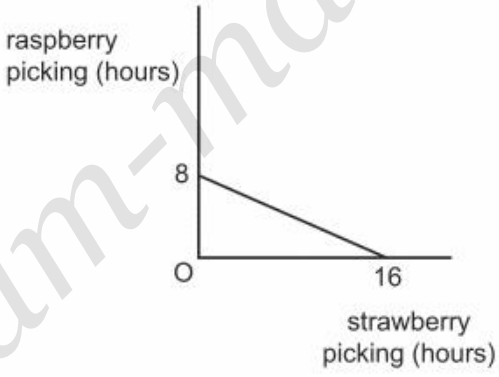
B



C



D



32 – (9708/13_Summer_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

A firm changes the type of product it produces.

What might limit the firm's ability to use division of labour?

A The new production method is more capital intensive.

B The new production method is very expensive.

C The new product is made to specific customer requirements.

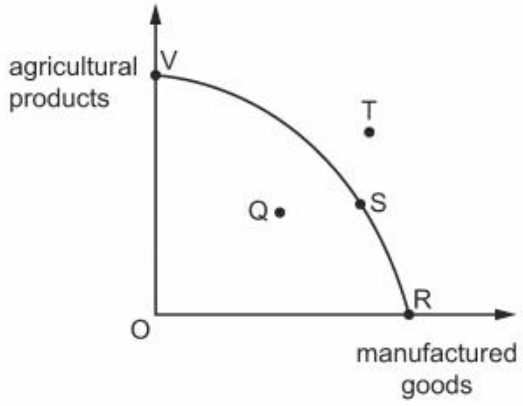
D The new product requires specialised labour.

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33 – (9708/11_Summer_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

A country can produce manufactured goods and agricultural products as shown in the diagram.



Given this information, which statement is definitely correct?

A If the country produces at Q it has unused or inefficiently used resources.

B The country should produce at T instead of at Q.

C The country would be better off producing at R than S.

D The monetary costs are the same to produce at V as they are to produce at R.

34 – (9708/12_Summer_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

Governments provide public goods.

What is an example of a public good?

A the services provided by a defence force

B the services provided by a hospital

C the services provided by a leisure centre

D the services provided by a toll road

35 – (9708/13_Summer_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

A group of tourists become stranded on a desert island. They decide to use their own system of money.

Which statement about their choice of money is correct?

A Coins in their possession would be suitable if there are enough of them.

B Fruit fallen from trees would be suitable because it has intrinsic value as a food.

C Pebbles from the seashore would be suitable because they are both durable and plentiful.

D Seaweed would be suitable as it is in unlimited supply around the coast.

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36 – (9708/12_Summer_2018_Q10) – *Basic Economic Ideas And Resource Allocation*

When will the price mechanism **not** function as a system for allocating goods?

A when the government bans advertising

B when the government maintains an effective maximum price

C when there is a limited supply of the good

D when there is a powerful company able to set the market price

37 – (9708/12_Winter_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

Which statement by a company is normative?

A In the past three years we have carried out the biggest merger acquisition in the group's history.

B The business has fallen behind competitors and needs to improve its ethical standards.

C The growth of the business has been in retail and financial services.

D The structure of the business has been simplified.

38 – (9708/13_Winter_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

The statements are from a report by a water company that supplies water to homes and businesses.

Which statement is normative?

A It is important that we continue to invest in our infrastructure.

B Our investment will have wider benefits, attracting visitors to the region.

C We are investing more than ever in the region.

D We use local suppliers on construction projects which boosts the local economy.

39 – (9708/11_Winter_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

What is **not** an example of the role of the factor enterprise in a modern economy?

A deciding on new export markets for the company's goods and services

B making payments to suppliers for raw materials and capital goods

C reducing costs through the introduction of a new shift system for employees

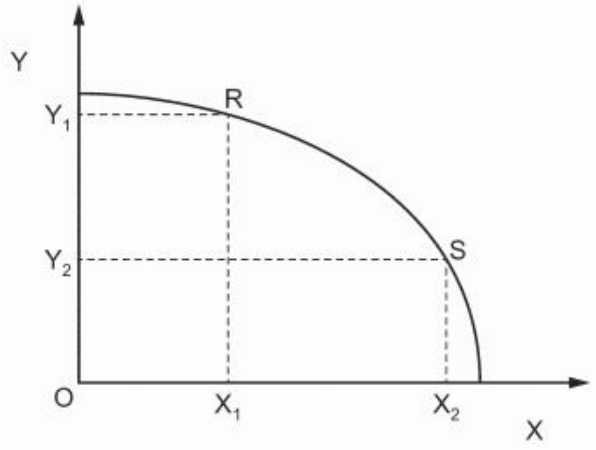
D transforming the production process with the introduction of robots

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40 – (9708/12_Winter_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

The diagram shows an economy's production possibility curve for goods X and Y.



What is the opportunity cost of moving from point R to point S on the production possibility curve?

A OX_1 **B** OY_2 **C** X_1X_2 **D** Y_1Y_2

41 – (9708/13_Winter_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

The combinations of output of goods X and Y shown in the table could all be produced using the existing resources in a country to their maximum capacity.

	1	2	3	4	5
X	220	200	180	140	90
Y	10	25	40	70	100

Which statement about the opportunity cost of good Y in terms of good X is correct?

A It decreases as the output of Y increases.

B It is always below 1Y = 1X.

C It is constant throughout the range of output shown.

D It is never above 1Y = 2X.

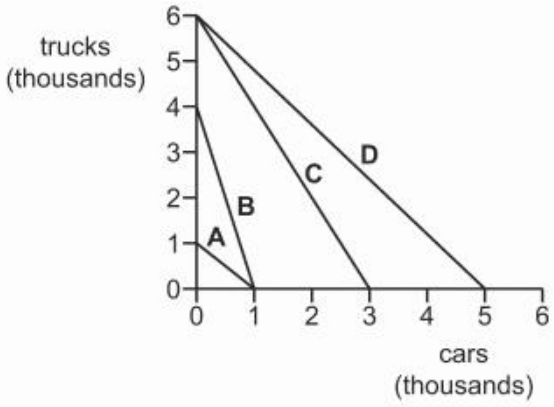
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42 – (9708/11_Winter_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

The production possibility curves show the abilities of four economies to produce trucks and cars.

In which economy is the opportunity cost of producing cars lowest?



43 – (9708/12_Winter_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

From 1995 to 2000 each of the countries listed below moved towards a market economy through privatisation programmes.

Which country made the slowest rate of transition?

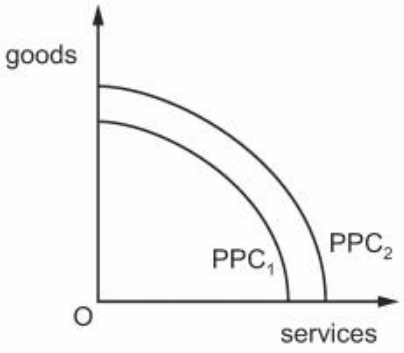
		private sector share of GDP (ratio of private enterprise earnings to GDP)	
		1995	2000
A	Czechia	70	80
B	Hungary	60	70
C	Romania	45	60
D	Slovakia	60	80

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44 – (9708/13_Winter_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

The diagram shows two production possibility curves for goods and services in an economy.



What would **not** cause the economy's production possibility curve to shift from PPC_1 to PPC_2?

A an increase in the level of employment

B an increase in the retirement age

C an increase in the skills level of employees

D an increase in the use of capital by firms

45 – (9708/11_Winter_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

John sells cakes for $10. Aisha offers online tutoring for $20 per hour. One hour of Aisha's tutoring is worth two of John's cakes.

Which function of money is being illustrated?

A medium of exchange

B standard of deferred payment

C store of value

D unit of account

46 – (9708/12_Winter_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

A businesswoman sets up a charity to provide toys for young children of low income families.

Which term most accurately describes these toys?

A free goods

B merit goods

C private goods

D public goods

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47 – (9708/13_Winter_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

What is a statement of the non-rivalrous nature of public goods?

A It is not possible to stop a non-payer from using the product.

B One person consuming the product does not reduce the amount of it available to others.

C People consume too little of the product because they are unaware of its true benefits.

D There is an unlimited supply of the product.

48 – (9708/13_Winter_2018_Q17) – *Basic Economic Ideas And Resource Allocation*

A flood-control dam is an example of a good provided directly by a government.

Which statement relating to the direct provision of a flood-control dam is **not** correct?

A Direct provision of a flood-control dam allows the government to tackle the failure to provide public goods.

B Direct provision of a flood-control dam forces the government to incur an opportunity cost.

C Direct provision of a flood-control dam involves the supply of a merit good.

D Direct provision of a flood-control dam is an example of government allocation of resources.

49 – (9708/13_Winter_2018_Q18) – *Basic Economic Ideas And Resource Allocation*

There has been a worldwide move towards market economies and away from state controlled nationalised industries.

Which policy would limit this transition?

A development of well-functioning capital markets

B establishment of a stable, convertible currency

C national and international liberalisation of markets and trade

D regulation of prices of former nationalised industries' products

50 – (9708/11_Summer_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

India is failing to reach its full economic potential because of poor rail, road and electricity infrastructure, and a lack of skilled civil engineers.

Which factors of production need to be increased?

A capital and land

B enterprise and capital

C labour and capital

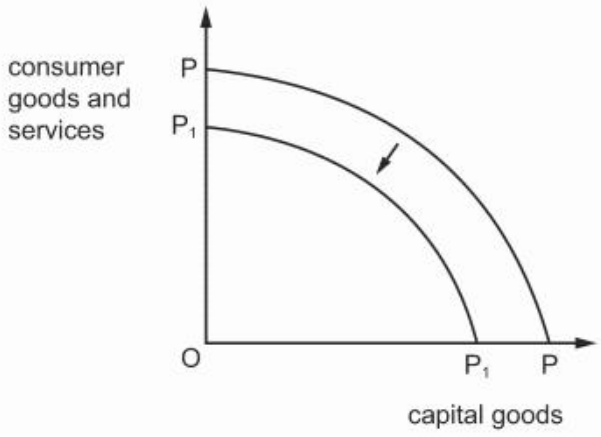
D land and enterprise

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51 – (9708/12_Summer_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

A production possibility curve for a country is shown.



What would cause the shift from PP to P_1P_1?

A application of more machinery used in manufacturing

B productivity decreases

C scientific methods applied to farming

D switch from production of consumer goods to capital goods

52 – (9708/13_Summer_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

What is the opportunity cost to a person of spending $20 on a new pair of sports shoes?

A all the other things the person could have bought

B the cost of getting to the sports shop

C the current value of his old pair of shoes

D the next best thing that could have been bought with the $20

53 – (9708/11_Summer_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

The fundamental economic question is how to meet unlimited wants with limited resources.

What is an example of limited resources?

A insufficient consumer goods in the local shops

B insufficient jobs to allow full employment

C insufficient machinery to produce electrical goods

D insufficient tax revenue to finance building a school

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54 – (9708/12_Summer_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

A government wants to move its economy away from central planning towards a market economy.

Which policy would be consistent with this aim?

A introduce tariffs on imported goods

B privatise the ownership of electricity generation

C provide free education for primary school pupils

D reduce prices of foods such as wheat and rice

55 – (9708/13_Summer_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

Which statement is correct?

A In the short run all factors of production are fixed; in the long run all factors are varied.

B In the short run at least one factor is fixed; in the long run all factors can be varied.

C In the short run at least one factor is varied; in the long run all factors are fixed.

D In the short run at least one factor is varied; in the long run at least one factor is fixed.

56 – (9708/11_Summer_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

Which statement is **not** a positive economic statement?

A An increase in the rate of income tax decreases the wish to save.

B An increase in the rate of income tax has a greater impact the greater the level of income.

C An increase in the rate of income tax causes more hours of work to be supplied.

D An increase in the rate of income tax is the fairest way to finance the national health service.

57 – (9708/12_Summer_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

What would be a determinant of a country's production possibility curve boundary?

A the capital invested in infrastructure

B the level of price and wage inflation

C the level of unemployed labour

D the volume of imports and exports

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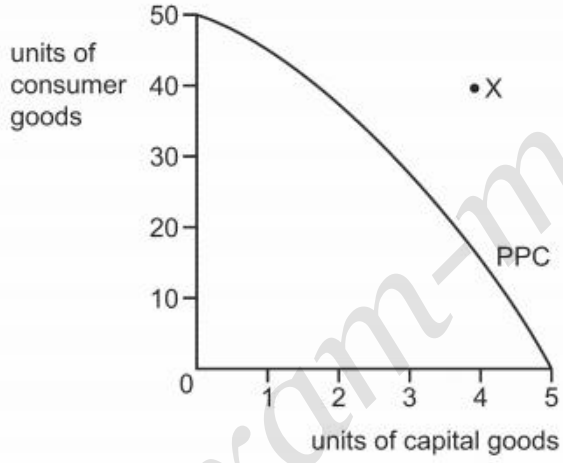
58 – (9708/13_Summer_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

What is correct at any point along an economy's production possibility curve?

	existing resources are fully employed	existing technology is fully used
A	correct	correct
B	correct	false
C	false	correct
D	false	false

59 – (9708/11_Summer_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

The diagram shows a production possibility curve (PPC). It indicates the combinations of consumer goods and capital goods produced by an economy using all its available resources.



What does position X indicate?

A a lower ratio of capital to consumer goods is necessary to achieve economic growth

B increasing levels of unemployment

C insufficient factors of production are available

D too many consumer goods are causing a fall in economic growth

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60 – (9708/13_Summer_2019_Q4) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

'The local government of Tokyo should use a policy of taxation to reduce traffic congestion in the city centre.'

What can be concluded about this statement and the type of economic policy?

	statement	type of policy
A	normative	macro
B	normative	micro
C	positive	macro
D	positive	micro

61 – (9708/11_Summer_2019_Q16) – *Basic Economic Ideas And Resource Allocation*

Which statement about nationalised and privatised industries is correct?

A A privatised industry is usually less competitive than a nationalised industry.

B A profitable private company cannot be nationalised.

C Privatisation is a form of monetary policy.

D Privatisation is a way of raising money for the government.

62 – (9708/11_Summer_2019_Q18) – *Basic Economic Ideas And Resource Allocation*

What is **unlikely** to occur with an increase in the provision of public goods?

A consumer non-excludability

B improved use of resources

C opportunity cost

D reduction in tax

63 – (9708/11_Winter_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

What is correct for a normative statement?

A It is objective and based on fact.

B It is objective and can be proved correct.

C It is subjective and based on opinion.

D It is subjective and can be reliably tested.

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64 – (9708/12_Winter_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

What is correct about scarcity?

A Scarcity affects low income earners only.

B Scarcity forces individuals to make choices.

C Scarcity is removed by periods of falling prices.

D Scarcity will be abolished by advances in technology.

65 – (9708/13_Winter_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

Which is a positive statement?

A A fall in the value of the Chinese yuan against the US dollar will make Chinese goods more price competitive in the USA.

B Direct taxes are the best fiscal instrument to redistribute income in a developed economy.

C The most important macroeconomic objective of the government is to reduce unemployment.

D The UK government should not renationalise the railway infrastructure.

66 – (9708/11_Winter_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

What does a production possibility curve show?

A the maximum output that can be produced by a firm in a year

B the maximum output that can be produced per worker per year in the economy

C the maximum output that could be exported from a country

D the maximum output of two or more goods in an economy from a given amount of inputs

67 – (9708/12_Winter_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

Which labels might be used on a production possibility curve diagram?

	Y (vertical) axis	X (horizontal) axis
A	capital input	labour input
B	cost of production	quantity produced
C	output of rice	labour input
D	output of rice	output of sugar

68 – (9708/13_Winter_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

Which is closest to being a public good?

A electricity

B health services

C street lighting

D water supply

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69 – (9708/12_Winter_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

A good's defining quality is that its consumption by one person prevents its consumption by someone else.

How is this good classified?

A a free good

B a non-excludable good

C a non-rival good

D a private good

70 – (9708/13_Winter_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

An individual has an appointment with his dentist.

He has a choice between travelling to the appointment by car, or leaving the car at home and travelling by bus and then by train. The costs of the journey are given below.

	$
bus fare	2
train fare	3
car parking charge	4
petrol	2
car wear and tear costs	1

Given this information, what is the opportunity cost to the individual of travelling by car rather than by bus and train?

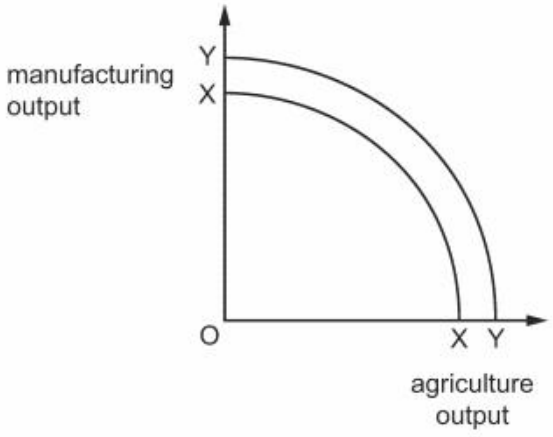
A $2 **B** $4 **C** $7 **D** $12

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71 – (9708/11_Winter_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

The diagram shows two production possibility curves, XX and YY.



What would cause a movement from XX to YY?

A a decrease in scarce resources

B a decrease in the cost of resources

C an increase in the cost of labour

D an increase in the labour force

72 – (9708/12_Winter_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

Which is a normative economic statement?

A Money is the least liquid form of wealth.

B Some firms are subsidised by the government.

C Some workers earn more than others.

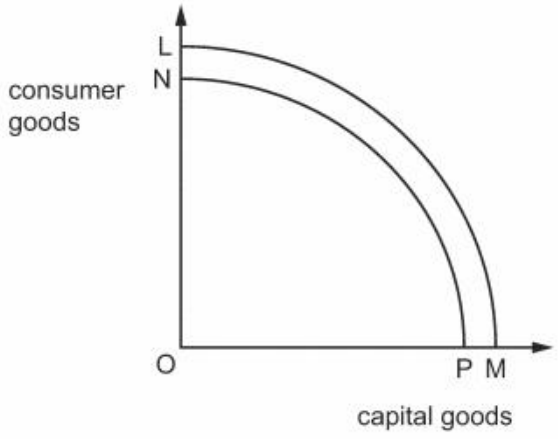
D Taxes are the best way to discourage smoking.

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73 – (9708/13_Winter_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

In the diagram the original production possibility curve is LM.



What could cause the curve to shift to NP?

A a fall in the working population

B a reallocation of resources from consumer goods to capital goods

C an increase in output per worker

D an increase in unemployment

74 – (9708/11_Winter_2019_Q14) – *Basic Economic Ideas And Resource Allocation*

Which product is **most** likely to be provided only by the government?

A national defence

B national health

C national museums

D national theatres

75 – (9708/12_Winter_2019_Q14) – *Basic Economic Ideas And Resource Allocation*

Why might governments provide free education for children aged 4 to 16 years old?

A Consumers are not fully aware of the benefits of education.

B Education in a free market system would be over consumed.

C Education is a public good and there would be many free riders.

D The private costs of education exceed the private benefits in a free market.

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76 - (9708/11_Summer_2020_Q1) - *Basic Economic Ideas And Resource Allocation*

The transition of centrally planned economies to market economies was accompanied by a significant change in the composition of output.

What was an immediate consequence of this transition?

A a build-up of unsold stocks of goods

B an increase in exports of goods

C an increase in unemployment

D decreasing prices of goods and services

77 - (9708/13_Summer_2020_Q1) - *Basic Economic Ideas And Resource Allocation*

An economist knows the current point at which an economy is operating within its production possibility curve.

What can the economist judge from this knowledge about the economy?

A its degree of self-sufficiency

B its international competitiveness

C its level of output of two goods

D its rate of economic growth

78 - (9708/11_Summer_2020_Q2) - *Basic Economic Ideas And Resource Allocation*

Which statement is correct?

A Normative economics concerns the description of economic models.

B Normative economics is objective and factual.

C Positive economics can be tested by data and evidence.

D Positive economics is subjective and offers a value judgement.

79 - (9708/12_Summer_2020_Q2) - *Basic Economic Ideas And Resource Allocation*

What would **not** be considered a barter transaction?

A a car repairer undertaking the annual service on a plumber's van in return for the plumber fitting a new sink in the car repairer's kitchen

B a consumer negotiating with a shopkeeper and buying a pair of trousers at US$10 rather than the asking price of US$30

C a graduate student exchanging a set of textbooks for a radio with a student about to start the course

D a train company allowing a phone company to advertise on its trains in return for the right to advertise on the phone company's website

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80 – (9708/13_Summer_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

Abdul earns $50 000 a year working as a teacher. He owns a house valued at $250 000 and has shares worth $20 000. He has a current bank account with a balance of $1500 and $200 in his wallet. In his house there is a jar containing $100, which he has saved to spend on his forthcoming holiday.

What is the value of Abdul's liquid assets?

A $200 **B** $300 **C** $1800 **D** $21 500

81 – (9708/11_Summer_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

Consumers do not use enough of a product to maximise their private benefit because they have imperfect information about the product.

How would an economist classify this product?

A demerit good

B free good

C merit good

D public good

82 – (9708/12_Summer_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

A factory introduces an automated production line to take advantage of division of labour.

What is most likely to increase?

A average cost of production

B job satisfaction of workers

C range of skills of each worker

D worker productivity

83 – (9708/13_Summer_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

Which type of good is healthcare?

A demerit

B free

C merit

D public

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84 – (9708/11_Summer_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

What is meant by the division of labour?

A Each worker specialises in a different task in production.

B Some workers work part-time and others work full-time.

C The same amount of output per hour is produced by each worker.

D Workers divide their time between different jobs.

85 – (9708/12_Summer_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

Which statement is normative?

A A minimum wage is the correct government policy to increase the incomes of the lowest paid workers.

B A minimum wage is the lowest amount that employers can legally pay their workers.

C In Pakistan, a minimum wage of 15 000 Pakistani Rupees per month was set on 1 June 2016.

D Setting the minimum wage rate above the equilibrium will result in an excess supply of workers.

86 – (9708/13_Summer_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

Which is a normative statement?

A If interest rates fall consumption is likely to increase.

B If interest rates fall consumption will definitely increase.

C Interest rates and consumption are usually inversely related.

D The rate of interest should be reduced.

87 – (9708/13_Summer_2020_Q10) – *Basic Economic Ideas And Resource Allocation*

Which combination of the classification of a good and market change will cause the demand curve for the good to shift right?

	classification of good	market change
A	inferior good	income decrease
B	inferior good	price decrease
C	normal good	income decrease
D	normal good	price decrease

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88 – (9708/11_Summer_2020_Q18) – *Basic Economic Ideas And Resource Allocation*

What is a necessary characteristic of a public good?

A It has a fixed maximum price.

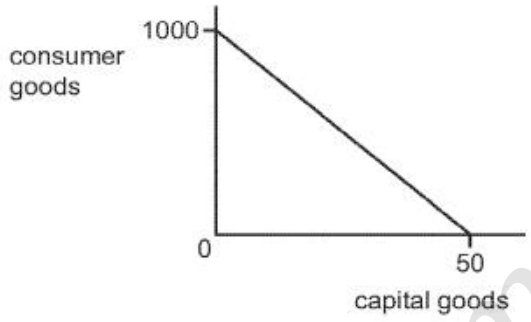
B It has an opportunity cost of production of zero.

C It is non-excludable.

D It is an essential good.

89 – (9708/11_Winter_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

The diagram shows an economy's production possibility curve.



It has been employing its resources in the ratio of 80% consumer goods production and 20% capital goods production.

What will be the result if it decides to double its output of capital goods?

A a gain of 20 capital goods

B a gain of 40 capital goods

C a loss of 200 consumer goods

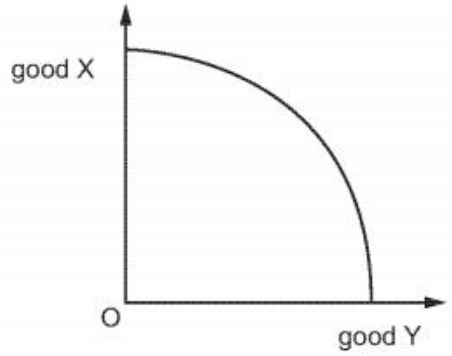
D a loss of 600 consumer goods

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90 – (9708/12_Winter_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

The diagram shows a production possibility curve.



What can be deduced from the shape of this curve?

A decreasing marginal returns to consumption

B decreasing opportunity costs of consumption

C increasing opportunity costs of production

D increasing returns to scale

91 – (9708/13_Winter_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

An economy is operating at a point inside its production possibility curve.

Why is this described as inefficient?

A Individuals are enjoying too much leisure.

B More of one good can be produced without decreasing production of another.

C The combination of labour and capital is wrong.

D There are shortages of some goods and an excess supply of others.

92 – (9708/11_Winter_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

Which comment relating to the introduction of charges for previously free medical treatment is normative?

A Fewer people will be able to afford treatment.

B It will be unfair on lower income groups.

C Richer citizens will pay the higher charges.

D Workers' health and productivity will fall.

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93 - (9708/12_Winter_2020_Q2) - *Basic Economic Ideas And Resource Allocation*

Which statement is correct?

A Private goods are both non-rival and non-excludable.

B Private goods are only provided by the private sector.

C Public goods are both non-rival and non-excludable.

D Public goods do not incur opportunity costs.

94 - (9708/13_Winter_2020_Q2) - *Basic Economic Ideas And Resource Allocation*

What is characterised as a free good?

A one that has zero opportunity cost

B one that is non-excludable and non-rivalrous

C one that is supplied by the government with no charge

D one that receives a 100% government subsidy

95 - (9708/11_Winter_2020_Q3) - *Basic Economic Ideas And Resource Allocation*

Which characteristic of money is the **most** important if it is to function as a medium of exchange?

A acceptable

B divisible

C durable

D portable

96 - (9708/12_Winter_2020_Q3) - *Basic Economic Ideas And Resource Allocation*

Below are two statements.

1 A rise in the price of rice is the best way to give farmers in South-East Asia higher living standards.

2 A rise in the price of rice will lead to a fall in demand.

Which row correctly describes these two statements?

	1	2
A	normative	normative
B	normative	positive
C	positive	normative
D	positive	positive

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97 – (9708/11_Winter_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

What is **not** a characteristic of a planned economy?

A Consumers have limited influence on what is produced.

B Profit is the motive for increasing output.

C Resources are owned by the government.

D There is limited competition in the market.

98 – (9708/12_Winter_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

What is a characteristic of money but **not** a function of money?

A medium of exchange

B portability

C standard of deferred payment

D store of value

99 – (9708/13_Winter_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

A government wants to prevent the spread of an infectious disease by vaccinating all children.

Why might vaccination be classified as a merit good?

A The benefit to society is equal to the benefit received by the individual.

B The good is excludable.

C The good is not vital.

D The good would otherwise be under-consumed.

100 – (9708/12_Winter_2020_Q9) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

A government reduces income tax but at the same time raises the rate of sales tax (VAT).

What are the likely effects on the demand and supply of a normal good?

	demand	supply
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

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101 – (9708/11_Winter_2020_Q10) – *Basic Economic Ideas And Resource Allocation*

A farmer divides his land between growing two crops – wheat and oats. To increase production of one he must reduce production of the other.

What would cause the farmer to increase his supply of wheat?

A A subsidy is given for the production of oats.

B A unit tax is imposed on the production of wheat.

C There is an increase in wages for all farm workers.

D There is improved efficiency in the harvesting of wheat.

102 – (9708/13_Winter_2020_Q14) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

A government regards alcoholic drinks as a demerit good and introduces a minimum price above the equilibrium in an attempt to protect consumers. Demand for alcoholic drinks is price inelastic.

What is the most likely outcome?

A a fall in the revenue of alcoholic drink producers

B a fall in the quantity of alcoholic drink sales

C a long-run shortage of alcoholic drinks

D an increase in specific tax revenue from the sale of alcoholic drinks

103 – (9708/11_Winter_2020_Q17) – *Basic Economic Ideas And Resource Allocation*

A good is provided by the government. Consumption by one person does not affect the amount of the good available for others.

Which type of good must this be?

A complementary good

B merit good

C private good

D public good

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104 – (9708/12_Summer_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A tourist visits the coast for a holiday.

On her first day, she visits the local tourist office for information, goes for a swim in the sea, spends the evening enjoying the view of the coastline and rents a campsite for an overnight stay.

Which activities involve economic goods and which involve free goods?

	economic goods	free goods
A	camping and information	swimming and sightseeing
B	information and swimming	sightseeing and camping
C	sightseeing and camping	information and swimming
D	swimming and sightseeing	camping and information

105 – (9708/13_Summer_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A government department provides milk at no charge to very low income families.

Which term best describes the milk?

A free good

B inferior good

C private good

D public good

106 – (9708/12_Summer_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

Which aspect of a planned economy might be viewed unfavourably by a consumer but favourably by a producer?

A a bureaucratic system of decision-making

B a long response time to changing economic events

C an absence of incentives to work and to produce

D an emphasis on the production of capital goods

107 – (9708/13_Summer_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

Which statement is a normative statement?

A China has never had a balance of payments surplus.

B Higher interest rates might reduce investment.

C Perfect competition is allocatively efficient.

D Welfare payments should be increased.

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108 – (9708/12_Summer_2021_Q3) – *Basic Economic Ideas And Resource Allocation, The Macro Economy*

If the rate of inflation rises from 2% to 20%, which function of money is likely to be most affected?

A medium of exchange

B standard for deferred payment

C store of value

D unit of account

109 – (9708/13_Summer_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

What do economists regard as the reward for taking risks and organising production?

A enterprise

B interest

C wages

D profit

110 – (9708/12_Summer_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

Which statement would be classified by an economist as a positive statement?

A Balancing the budget cannot be more important than reducing inflation.

B Maintaining the real income of pensioners needs to be a priority.

C The government should increase indirect taxation.

D The government will not increase direct taxation.

111 – (9708/13_Summer_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

The British pound is the national currency of the UK. In Brixton in south London it is possible to get a distinctively marked currency called the Brixton pound from special cash machines. This can be spent with 150 local shopkeepers. Similar schemes are found in towns in the US, Italy and France.

Should Brixton pounds be considered money?

A no, because it is not possible to have two currencies in a country

B no, because they are not generally acceptable outside of Brixton

C yes, because some shopkeepers are willing to accept them

D yes, because they fulfil all the functions of money

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112 – (9708/13_Summer_2021_Q10) – *Basic Economic Ideas And Resource Allocation*

A UK based food company wishes to diversify its product range. To finance this, it has obtained a $10m loan from a bank to buy land, build and equip a bakery.

What would **not** be classified by an economist as a factor of production?

A the $10m loan used to finance the project

B the land on which the bakery will be built

C the ovens required to bake the bread

D the soya used in the making of the bread

113 – (9708/13_Summer_2021_Q14) – *Basic Economic Ideas And Resource Allocation*

In many countries there are goods that must be provided directly by the government.

What would be the most convincing argument for such provision?

A The consumption of these products may be beneficial.

B The production of these products may be harmful.

C The production of these products have high opportunity costs.

D These products are non-rival in consumption and non-excludable.

114 – (9708/12_Summer_2021_Q18) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

Education from 4 to 16 years of age in most developed economies is provided at zero price, financed from taxation.

Why should the government do this?

A In a free market, consumers have imperfect information so do not realise the full personal benefit of education.

B In a free market, education is not considered to be a private good.

C In a free market, consumers will be unwilling to pay for education.

D In a free market, education is non-rival and non-excludable in consumption so zero output would be produced.

115 – (9708/11_Winter_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A European airline opens a new route to Dubai. It purchases additional aeroplanes, rents additional landing slots, hires pilots and buys back some of its shares to raise the value of the firm on the stock market.

What is an example of the factor of production capital?

A aeroplanes

B landing slots

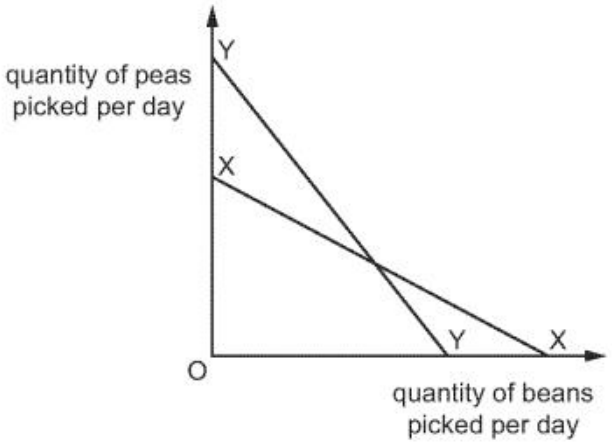
C pilots

D shares

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116 – (9708/12_Winter_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

Line XX is the production possibility curve (PPC) of a worker picking peas and beans in a 10 hour working day.



What could cause the worker's PPC to shift to the line YY?

A a decrease in working hours to 8 per day and a machine that increases the worker's pea picking productivity

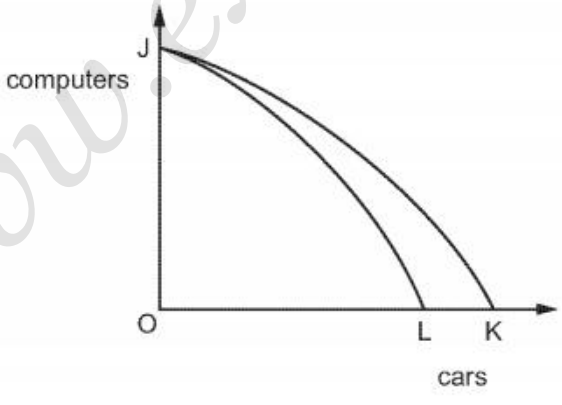
B a machine that increases the worker's pea picking productivity only

C a new work schedule where the worker spends 6 hours per day picking peas and only 4 hours picking beans

D a reduction in working hours to 8 per day only

117 – (9708/13_Winter_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

In the diagram JK is the initial production possibility curve for an economy producing computers and cars.



What could cause the curve to shift to JL?

A a fall in output per worker in the car industry

B a fall in the level of competition in the car industry

C a rise in the potential workforce of the economy

D a rise in the price of cars

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118 – (9708/11_Winter_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

Which statement about the behaviour of firms in a planned economy is correct?

A Firms are sent signals to produce through the price mechanism.

B Firms will operate in competitive markets.

C Firms will attempt to make profits for the benefit of shareholders.

D Firms are more likely to consider the private and external costs of production.

119 – (9708/12_Winter_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

What is a function of money?

A divisibility

B durability

C portability

D medium of exchange

120 – (9708/13_Winter_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

Consumers in country X buy some goods and services from private sector firms. Other goods and services are provided by the state.

What is this type of economy?

A free market economy

B joint economy

C mixed economy

D planned economy

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121 – (9708/11_Winter_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

The table provides information on entrepreneurship among males in three countries in 2013.

	percentage of males with access to training on how to start a business (%)	percentage of males with access to finance to start a business (%)
Italy	19.1	10.3
Japan	31.3	34.0
Sweden	61.6	49.7

What can be concluded from the table?

A In Sweden, it is easier for male entrepreneurs to get training than finance.

B It is always more difficult for male entrepreneurs to get finance than training.

C Italy provides less money for male entrepreneurs than Japan or Sweden.

D Sweden has more male entrepreneurs than Italy or Japan.

122 – (9708/12_Winter_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

What is classified as a public good by economists?

A flood defences

B government-funded hospitals

C government-run national parks

D the internet

123 – (9708/13_Winter_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

In 2017 the Bank of England introduced a new version of the £1 coin as there were concerns that large quantities of illegal £1 coins had been put into circulation.

Which characteristic of money did the illegal £1 coins threaten?

A acceptability

B divisibility

C durability

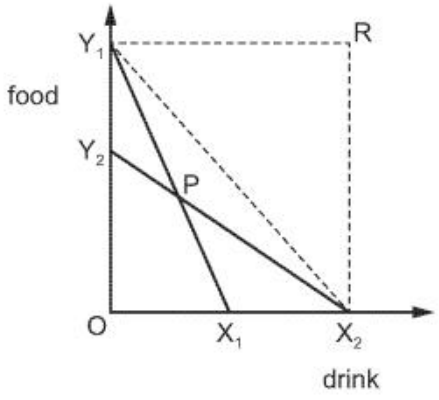
D portability

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124 – (9708/11_Winter_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

The diagram shows the production possibility curves of two economies, Northland (Y_1–X_1) and Southland (Y_2–X_2).



Both economies specialise based on the theory of comparative advantage and trade with one another.

What can be concluded from the diagram?

A Both economies face increasing opportunity costs.

B Point P represents the final equilibrium outcome.

C Point R shows the total possible combined production of food and drink.

D All points on Y_1–X_2 are only attainable through trade.

125 – (9708/12_Winter_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

Which statement about the factors of production is correct?

A The factor capital includes shares and deposit accounts at banks.

B The factor labour includes human-made resources.

C The factor land includes forests and undiscovered copper.

D The factor enterprise takes risks and is rewarded with interest.

126 – (9708/13_Winter_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

Which statement is a positive statement?

A Low inflation is preferable to low unemployment as a government aim.

B Low inflation will provide a more stable macro economy.

C The government must intervene in all markets to improve resource allocation.

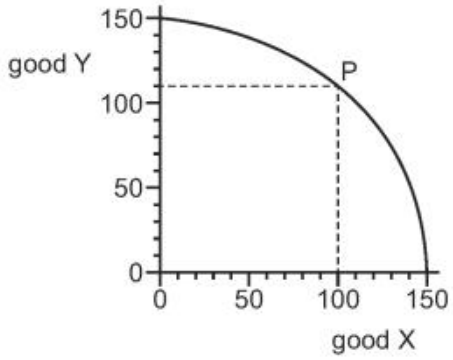
D The government should cut income tax so living standards can improve.

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127 – (9708/11_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

The diagram shows a production possibility curve for an economy that is producing at point P.



Which quantity of X is given up to produce the quantity of Y shown?

A 40 **B** 50 **C** 100 **D** 110

128 – (9708/12_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

Which list has the most words that are more likely to relate to a positive statement than to a normative statement?

A describe, better, should, value, emotion

B bias, objective, ought, opinion, tastes

C contestable, is, motive, subjective, moral

D actual, ethics, fact, was, testable

129 – (9708/13_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

Which statement about money is correct?

A Deflation reduces the internal purchasing power of money.

B Most financial assets are more liquid than physical assets.

C When money acts as a medium of exchange, it requires a double coincidence of wants.

D When money acts as a store of value, it must be unlimited in supply.

130 – (9708/14_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

What will result from a government's decision to allow health care to be provided entirely by market forces?

A There will be a reduction in the provision of a public good.

B All consumers will receive better health care.

C Market failure will be eliminated in the health care market.

D The health care market will reach an equilibrium.

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131 – (9708/11_Summer_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

The Indian government operates a pension scheme.

Which statement about this scheme would be classed as normative?

A To be eligible, individuals must be above the age of 60 and live below the poverty line.

B In January 2020, eligible individuals aged over 70 received 500 rupees per month.

C In 2018, the Supreme Court said the government must review pension payments because they are unrealistic.

D In January 2020, the Indian government announced that it might increase the payment to 1000 rupees per month.

132 – (9708/12_Summer_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

What is the main characteristic of a planned economy?

A All goods and services are produced by privately-owned firms.

B All goods and services are produced by state-owned firms.

C Privately-owned firms produce private goods and state-owned firms produce public goods.

D The price mechanism allocates scarce resources through the actions of buyers and sellers.

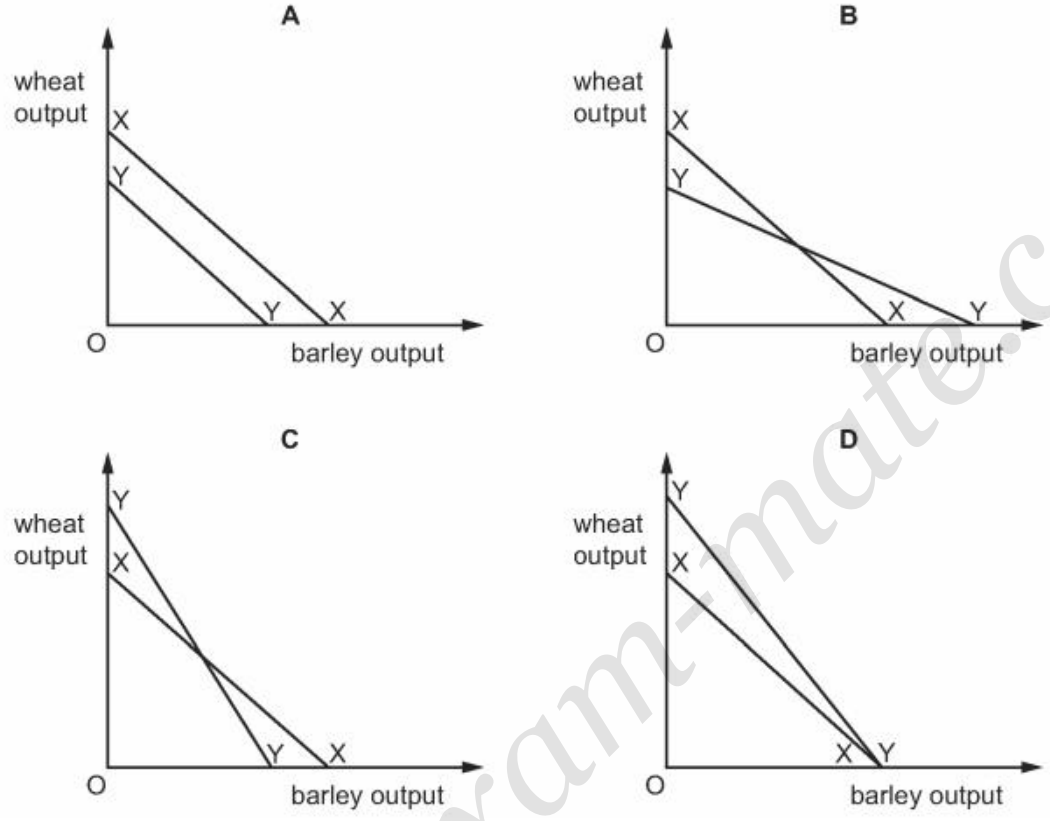
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133 – (9708/14_Summer_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

A farmer with a fixed area of land grows two crops, wheat and barley. Some land used for barley is flooded and cannot be used. The farmer then starts to plant genetically modified (GM) wheat that produces wheat more efficiently on the land that is not flooded.

Which diagram shows the **most** likely effect of these changes on the farmer's production possibility curve (PPC) as it moves from XX to YY?



134 – (9708/11_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

Economics students have to fill in the gaps in the following passage.

'The three basic questions arising from the economic problem of scarcity are .....1..... to produce, ...2..... to produce, and .....3..... to produce.'

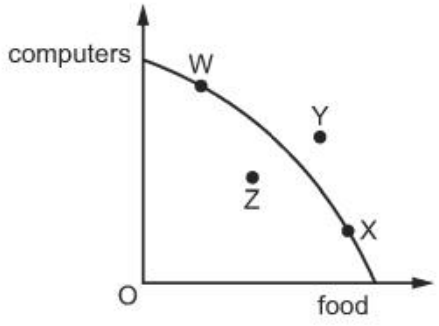
Which combination is correct?

	1	2	3
A	how	when	where
B	how	where	for whom
C	what	how	for whom
D	what	when	where

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135 – (9708/12_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

An economy produces combinations of computers and food as shown on the diagram of a production possibility curve (PPC).



If all available resources were used, which two points on the PPC diagram show the maximum combinations of computers and food that the economy can produce?

A W and X **B** X and Y **C** Y and Z **D** Z and W

136 – (9708/13_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

What does opportunity cost measure?

A the benefits of a good compared with the next choice

B the benefits given up by not consuming the next best alternative

C the costs of any good not chosen

D the financial costs of consuming a good

137 – (9708/14_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

What would make online payment methods less acceptable as a medium of exchange?

A a fee charged for use of the online payment service

B both high and low priced goods can be paid for using the online service

C payments can be made at any time of day and night

D the online payment service can be accessed through a smartphone

138 – (9708/11_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

What is **not** a function of money?

A It is a medium of exchange.

B It is a store of value.

C It is a unit of account.

D It is a measure of satisfaction.

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139 – (9708/12_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

Four students have to complete a table showing the functions of money.

Which student is correct?

	medium of exchange	store of value	unit of account
A	✓	✓	✓
B	✓	✓	✗
C	✗	✓	✓
D	✓	✗	✓

140 – (9708/13_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

Which term assumes the existence of 'qualities, knowledge and skills' that allow an individual to be more productive?

A enterprise investment

B human capital

C mechanisation

D specialisation

141 – (9708/14_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

Professional gardeners now use power tools instead of hand tools to maintain their customers' gardens.

What can be concluded from this information?

A Capital has replaced all labour for maintaining gardens.

B Gardening has become more labour-intensive.

C Land has become more productive.

D New technology has been introduced.

142 – (9708/12_Summer_2022_Q5) – *Basic Economic Ideas And Resource Allocation*

In which situation is the price elasticity of supply for a product most likely to be relatively low?

A Demand for the product comes from a wide range of customers.

B Producers in closely related industries can easily switch to making the product.

C Manufacture of the product requires highly skilled labour.

D The main raw material used in the production of the product is in abundant supply.

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143 - (9708/12_Summer_2022_Q7) - *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

What can be concluded about the roles of demand and supply in a free market?

A They allocate resources to the greatest needs.

B They ensure that goods and services are distributed equally.

C They are both significant in setting the market price.

D They ensure that everyone can benefit from the good or service provided.

144 - (9708/11_Summer_2022_Q11) - *Basic Economic Ideas And Resource Allocation*

When will the price mechanism **not** function as a system for allocating goods?

A when the government bans advertising

B when the government maintains an effective maximum price

C when there is a limited supply of the good

D when there is a powerful company able to set the market price

145 - (9708/12_Summer_2022_Q12) - *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

What does **not** happen when price acts as a means to allocate resources?

A Price determines the supply of public goods.

B Price operates in the markets for both goods and factors of production.

C Price recognises consumers' ability to pay rather than consumers' needs.

D Price signals to producers which goods are most profitable.

146 - (9708/13_Summer_2022_Q12) - *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

What does the assumption '*ceteris paribus*' mean when economists analyse the way in which the quantity demanded of a good changes?

A Changes in quantity demanded can cause changes in any of the other variables.

B Consumer preferences are always assumed to remain unchanged.

C Only one variable is assumed to change while the others remain the same.

D Several variables change simultaneously.

147 - (9708/14_Summer_2022_Q14) - *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

Money is paid by the government to an unemployed worker in the form of a benefit.

Why is this called a transfer payment?

A The payment comes from taxes paid by employed workers.

B The payment comes from government savings, not current income.

C The payment is made without the production of goods and services taking place.

D The payment must be spent as directed by the government.

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148 - (9708/12_Winter_2022_Q1) - *Basic Economic Ideas And Resource Allocation*

What is a function of money?

A to act as a medium of exchange

B to be divisible into small units

C to enable bartering to take place

D to maintain its value when inflation is high

149 - (9708/13_Winter_2022_Q1) - *Basic Economic Ideas And Resource Allocation*

Which action would **not** raise the quality of the particular factor of production?

A capital – operating a machine continuously at full capacity

B enterprise – providing risk management advice

C land – increasing the use of fertilisers

D labour – making apprenticeships and training compulsory

150 - (9708/12_Winter_2022_Q2) - *Basic Economic Ideas And Resource Allocation*

In a planned economy, what will determine the allocation of scarce resources?

A a mixture of private and central decision making

B the decisions of central government

C the forces of demand and supply

D the revenue generated from direct and indirect taxes

151 - (9708/13_Winter_2022_Q2) - *Basic Economic Ideas And Resource Allocation*

During a period of deflation an economy's aggregate monetary demand falls.

Which function of money explains this fall?

A a measure of value

B a medium of exchange

C a standard for deferred payment

D a store of value

152 - (9708/11_Winter_2022_Q3) - *Basic Economic Ideas And Resource Allocation*

Food prices in a country increased by 20% in three months due to an infectious virus.

Which statement about the cause of this rise in food prices is normative?

A Consumers were scared of running out of food.

B Farm workers demanded higher wages to cover extra hours worked.

C Supply of foreign food was reduced because of closed borders.

D Transport costs increased by 10%.

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153 - (9708/12_Winter_2022_Q3) - *Basic Economic Ideas And Resource Allocation*

A key concept in classifying goods is whether a good is rival or non-rival.

Which good is rival in consumption?

A an ice cream

B street lighting

C a radio broadcast

D the internet

154 - (9708/13_Winter_2022_Q3) - *Basic Economic Ideas And Resource Allocation*

What will usually result if production is divided into separate processes that are assigned to different people?

	lower output per worker	more repetitive tasks	lower costs
A	no	no	no
B	no	yes	yes
C	yes	no	no
D	yes	yes	yes

155 - (9708/11_Winter_2022_Q4) - *Basic Economic Ideas And Resource Allocation*

A doctor has very long working hours and a high level of stress. She can become a teacher instead of continuing as a doctor.

What is the opportunity cost of choosing to continue as a doctor?

A the risk of mistakes caused by tiredness

B the possible costs of illness caused by high stress levels

C the potential salary as a teacher

D the retraining costs of becoming a teacher

156 - (9708/12_Winter_2022_Q4) - *Basic Economic Ideas And Resource Allocation*

What is a normative statement?

A A firm receiving a government subsidy will increase the supply of a good.

B Negative externalities are the most serious market failure.

C A rise in incomes will lead to a rise in demand for normal goods.

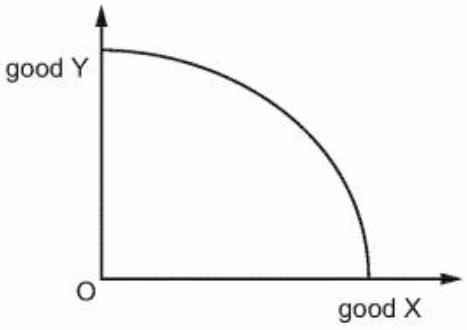
D A rise in the additional rate of income tax will decrease the incentive to work.

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157 – (9708/13_Winter_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

The diagram shows a production possibility curve.

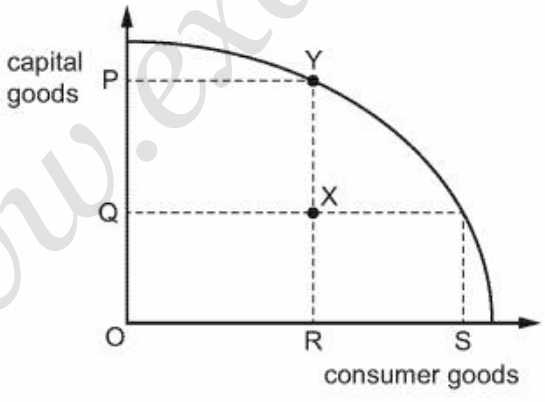


Which combination is correct?

	opportunity cost of producing more of good Y	opportunity cost of producing more of good X
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

158 – (9708/12_Winter_2022_Q5) – *Basic Economic Ideas And Resource Allocation*

The diagram shows an economy's production possibility curve (PPC). The economy has moved from X to Y.



What can be deduced from the diagram?

A Current living standards have fallen.

B The economy has become more efficient.

C There has been a rise in unemployment.

D There has been an opportunity cost of OR consumer goods.

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159 – (9708/13_Winter_2022_Q5) – *Basic Economic Ideas And Resource Allocation*

A government wishes to ensure adequate flood defences are provided in its coastal areas.

Which action is most likely to be undertaken **only** by the government?

A building the defences

B designing the defences

C financing the defences

D maintaining the defences

160 – (9708/11_Summer_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

What is 'a produced means of further production'?

A capital

B enterprise

C labour

D land

161 – (9708/11_Summer_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

A hospital management board decides to reallocate $800 000 from its $1.2m new buildings budget to spend on cancer care.

What is the opportunity cost of this decision?

A a cost of $400 000

B a cost of $800 000

C the cost of healthcare for cancer patients

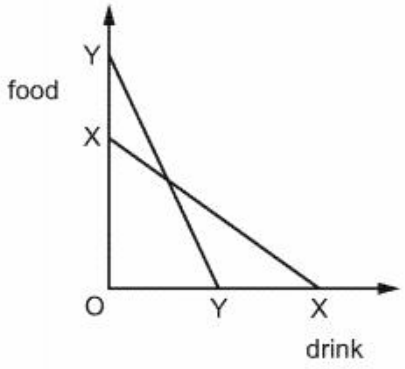
D the loss of some new buildings

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162 – (9708/11_Summer_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

The diagram shows the change in a country's production possibility curve from XX to YY.



What would explain this change?

A Consumers chose to consume more food and less drink.

B Government taxed food production and subsidised drink production.

C Productivity rose in food production and fell in drink production.

D There were more imports of food and more exports of drink.

163 – (9708/11_Summer_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

A factory manufactures chairs. The manufacturing process is divided into a number of tasks.

What is a likely **disadvantage** of this division of labour?

A decrease in motivation

B decrease in output

C decrease in productivity

D decrease in quality of the final product

164 – (9708/12_Summer_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

Which factor of production is needed first in order to set up a new business?

A capital

B enterprise

C labour

D land

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165 - (9708/12_Summer_2023_Q2) - *Basic Economic Ideas And Resource Allocation*

Assuming nothing else changes, which change in an economy's labour market will cause the production possibility curve to shift to the left?

A an increase in worker immigration

B an increase in the retirement age

C an increase in labour productivity

D an increase in the school leaving age

166 - (9708/12_Summer_2023_Q3) - *Basic Economic Ideas And Resource Allocation*

What is **not** a characteristic of a mixed economy?

A The government has no role in setting prices.

B The government manages taxation rights.

C The government prevents firms from earning excessive profits.

D The government provides services not provided by the private sector.

167 - (9708/13_Summer_2023_Q1) - *Basic Economic Ideas And Resource Allocation*

People plant flowers in a local park.

Which statement is correct?

A Flowers in parks are a public good because people can enjoy them at no charge.

B Flowers in parks are a public good because they are owned by local people and are not for profit.

C Flowers in parks are not a public good if local people can limit the number of visitors to the parks.

D Flowers in parks are not a public good if they are individual, not identical, in nature.

168 - (9708/13_Summer_2023_Q2) - *Basic Economic Ideas And Resource Allocation*

A government decides that all non-essential businesses must close for three months due to a disease pandemic.

What is an opportunity cost of this policy?

A increased leisure time for employees

B lives that are saved due to reduced disease levels

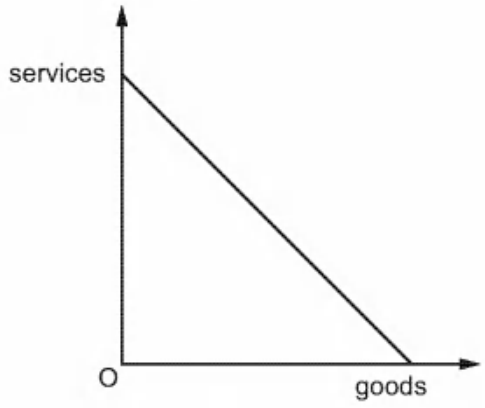
C the production of goods by essential businesses

D the loss of goods from the closed businesses

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169 – (9708/13_Summer_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

The diagram shows an economy's production possibility curve. The economy produces combinations of goods and services using all available resources.



What does the production possibility curve indicate for goods and services?

A constant returns to scale in the production of both goods and services

B diminishing returns to scale in the production of both goods and services

C increasing returns to scale in the production of both goods and services

D infinite returns to scale in the production of both goods and services

170 – (9708/11_Winter_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

What will help solve the basic economic problem?

A the control of the market system

B the efficient allocation of scarce resources

C the preservation of a healthy environment

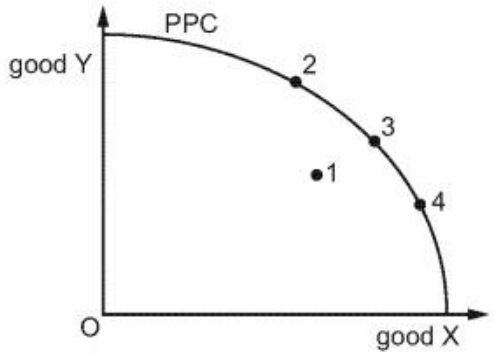
D the elimination of hunger

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171 – (9708/11_Winter_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

Country Z operates with a production possibility curve (PPC). Currently, output is at combination 1.



Which movement has zero opportunity cost in terms of the goods produced?

A 1 to 2 **B** 1 to 3 **C** 2 to 3 **D** 3 to 4

172 – (9708/11_Winter_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

A country's health care is funded by taxation but can be used free of charge by patients.

Which type of good is health care in this country?

A demerit good

B free good

C private good

D public good

173 – (9708/11_Winter_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

What is **least** likely to increase as a result of a transition from a planned economy to a free market economy?

A prices of goods and services

B privately owned resources

C provision of merit goods

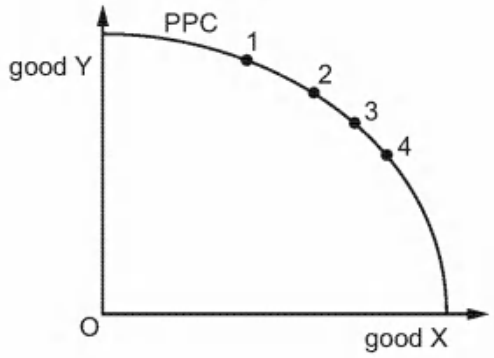
D structural unemployment

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174 – (9708/12_Winter_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

PPC is the production possibility curve in country T.



Which changes take place in country T's opportunity costs of producing X as it increases production of X?

A Opportunity costs are constant between points 1 and 2, and between points 3 and 4.

B Opportunity costs decrease between points 1 and 2, and increase between points 3 and 4.

C Opportunity costs decrease between points 1 and 2, and between points 3 and 4.

D Opportunity costs increase between points 1 and 2, and between points 3 and 4.

175 – (9708/12_Winter_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

What is considered the essential requirement for all entrepreneurs?

A attracting customers

B buying stock

C managing staff

D taking risks

176 – (9708/12_Winter_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

A new section of a road is provided toll-free by the government.

What best describes this good?

A a demerit good

B a free good

C a private good

D a public good

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177 – (9708/12_Winter_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

Eastern European nations have changed from planned to market economies.

Which policy was **least** likely to have been adopted?

A allowing prices to fluctuate

B keeping established economic organisations

C privatising essential industries

D permitting changes in the money supply

178 – (9708/13_Winter_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

A factory introduces an automated production line to take advantage of division of labour.

What is most likely to increase?

A average cost of production

B job satisfaction of workers

C range of skills of each worker

D worker productivity

179 – (9708/13_Winter_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

Consumers do not use enough of a product to maximise their private benefit because they have imperfect information about the product.

How would an economist classify this product?

A demerit good

B free good

C merit good

D public good

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180 – (9708/13_Winter_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

The table shows different combinations of rings and bracelets that can be produced by Luke and Zoe in the same time period.

Luke		Zoe	
rings	bracelets	rings	bracelets
18	0	20	0
12	6	16	8
6	12	12	16
0	18	8	24

Which statement is **not** correct?

A Luke has a larger opportunity cost than Zoe for making bracelets.

B The opportunity cost of producing rings is constant for both Luke and Zoe.

C Zoe should specialise in making rings.

D Zoe's opportunity cost for each bracelet is 2 rings.

181 – (9708/13_Winter_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

What is an example of a free good?

A a government sponsoring a free vaccination programme for its citizens

B a hospital providing free treatment to the poor

C a school providing free education to outstanding students

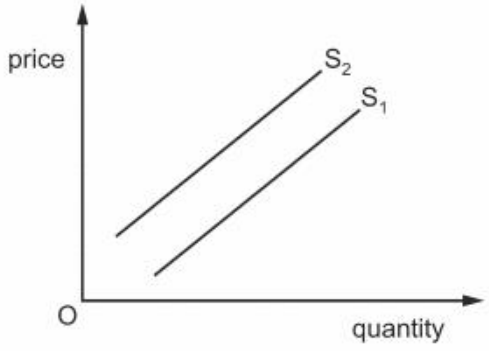
D anything that provides free utility but is not scarce

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1 – (9708/11_Summer_2017_Q5) – *The Price System And The Micro Economy*

The diagram shows a shift in a firm's supply curve from S_1 to S_2.



What may have caused the shift from S_1 to S_2?

A a decrease in the costs of production of the firm

B a decrease in the popularity of the firm's product

C a decrease in the subsidy on the good

D a decrease in the tax on the good

2 – (9708/13_Summer_2017_Q5) – *The Price System And The Micro Economy*

Why does an individual's demand curve generally slope downwards to the right?

A The additional satisfaction an individual gets from consuming most goods decreases as consumption increases.

B The additional satisfaction an individual gets from consumption decreases as income rises.

C The individual has finite income which is used to attempt to satisfy many wants.

D For most goods the price charged by producers falls as the quantity purchased increases.

3 – (9708/11_Summer_2017_Q6) – *The Price System And The Micro Economy*

A change in the price of a good causes an increase in the quantity of the good demanded.

What would be the nature of the good and the direction of price change for this to be certain to happen?

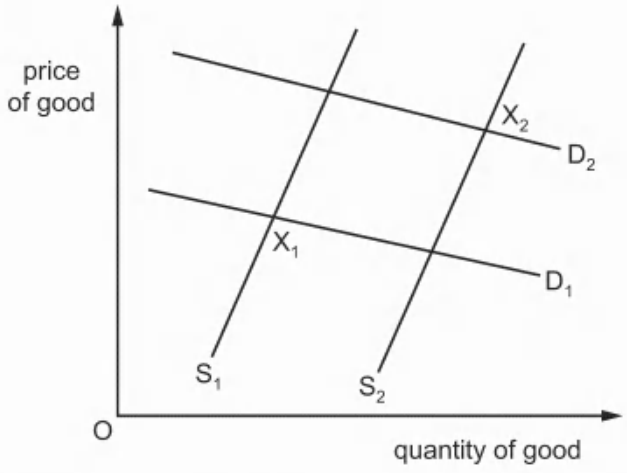
	nature of good	price change
A	inferior	fall
B	inferior	rise
C	normal	fall
D	normal	rise

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4 – (9708/12_Summer_2017_Q6) – *The Price System And The Micro Economy*

D_1 and S_1 are the initial demand and supply curves for a normal product. They then change to D_2 and S_2.



Which pair of changes would result in the market equilibrium for the product changing from X_1 to X_2?

A a fall in the price of a raw material used in the manufacturing and a decrease in the price of a complementary good

B an increase in average consumer incomes and an increase in the level of an indirect tax imposed

C an increase in the price elasticity of demand for the product and a fall in its price elasticity of supply

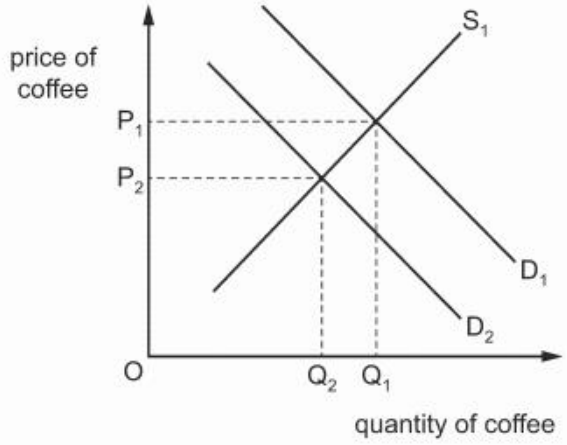
D a rise in the population and an increase in the price of labour used in manufacturing

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5 – (9708/13_Summer_2017_Q6) – *The Price System And The Micro Economy*

Ethiopia is Africa's largest producer of coffee. S_1 and D_1 are the original supply and demand curves for Ethiopian coffee. D_2 is a new demand curve.



What would have caused the change shown in the diagram?

A a fall in incomes worldwide

B a fall in the cost of producing Ethiopian coffee

C a rise in output from Ethiopian coffee harvests

D a rise in the price of coffee produced in Kenya

6 – (9708/11_Summer_2017_Q7) – *The Price System And The Micro Economy*

Which combination is most likely to result in the demand for a product being highly price elastic?

	number of close substitutes	% of income spent on product
A	large	large
B	large	small
C	small	large
D	small	small

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7 – (9708/12_Summer_2017_Q7) – *The Price System And The Micro Economy*

The table gives a set of price and cross-price elasticities for four commodities, W, X, Y and Z.

with respect to price of	elasticity of demand for commodity			
	W	X	Y	Z
W	–0.3	–0.5	+0.7	–1.3
X	–0.7	–1.2	+0.8	+1.6
Y	+1.3	+1.7	–3.6	+0.8
Z	–2.7	+2.6	+1.7	–0.7

Which pairs of commodities are complements?

A W and X; W and Z

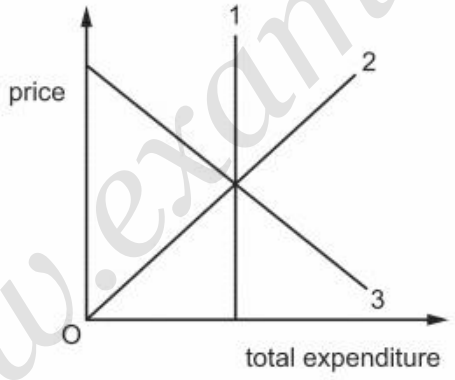
B W and Y; X and Y

C W and Z; X and Z

D X and Y; X and Z

8 – (9708/13_Summer_2017_Q7) – *The Price System And The Micro Economy*

The diagram shows the relationship between total expenditure and price for three products, 1, 2 and 3.



Which curves represent the products with price elastic and unitary price elastic demand?

	elastic	unitary
A	1	2
B	2	3
C	3	1
D	3	2

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9 – (9708/11_Summer_2017_Q8) – *The Price System And The Micro Economy*

A manufacturer increases the price of his product from $4 in an attempt to increase total revenue.

The table shows the outcome of the policy.

price ($)	total revenue 000's ($)
4	400
5	500
6	600

What is the price elasticity of demand for the product?

A perfectly elastic

B perfectly inelastic

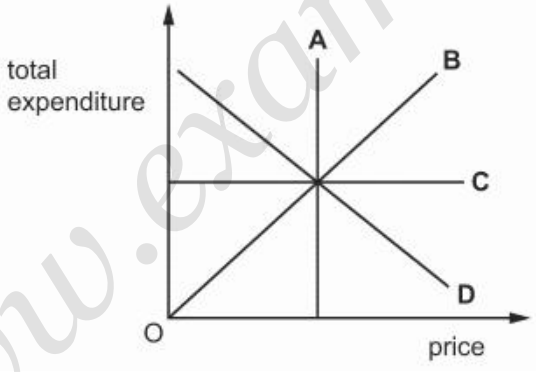
C relatively elastic

D relatively inelastic

10 – (9708/12_Summer_2017_Q8) – *The Price System And The Micro Economy*

The price elasticity of demand for a product is constant and equal to unity.

Which curve in the diagram shows the relationship between total expenditure on the product and its price?



11 – (9708/13_Summer_2017_Q8) – *The Price System And The Micro Economy*

A firm has a perfectly elastic supply curve at the market price of $10.

Which statement about the firm is correct?

A At any price above $10 quantity supplied is zero.

B At any price below $10 quantity supplied is infinite.

C At price $10 the firm will supply any quantity.

D At price $10 the firm will break even.

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12 - (9708/11_Summer_2017_Q9) - *The Price System And The Micro Economy*

A firm establishes that the price elasticity of supply of its product has a value of 0.3.

What is likely to be true about the firm?

A It has unused productive capacity.

B It has unsold stock of its product.

C It uses a high proportion of perishable raw materials.

D It uses factors of production that are easily substituted.

13 - (9708/12_Summer_2017_Q9) - *The Price System And The Micro Economy*

A bottle making business announced it had introduced a new production system. As a result the quantity produced per week could be increased or reduced much more easily when the price of bottles changed.

What term describes this change?

A a less elastic demand

B a less elastic supply

C a more elastic demand

D a more elastic supply

14 - (9708/13_Summer_2017_Q9) - *The Price System And The Micro Economy*

The supply function for a good can be written as Q = 2P + 10, where Q is the quantity supplied in kilos and P is the price per kilo in dollars.

The price rises from $10 to $15 per kilo.

The value of price elasticity of supply for this price increase lies in a range from

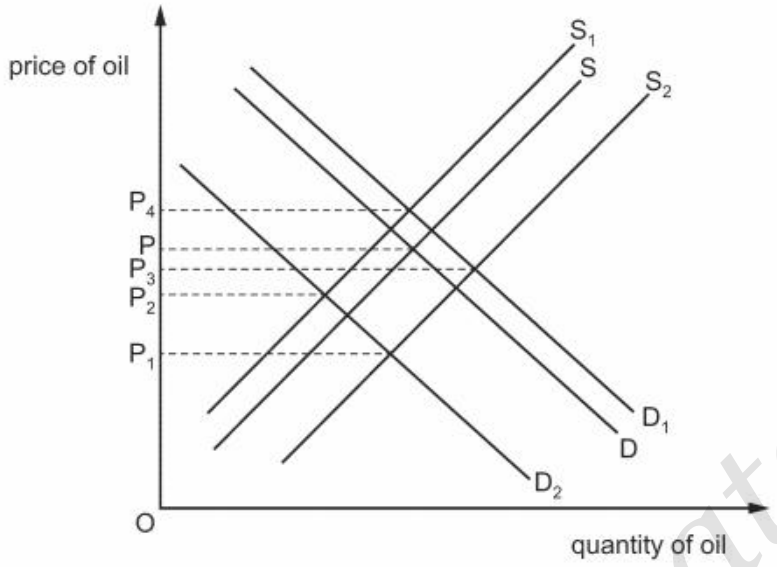
A $\frac{1}{6}$ to $\frac{1}{4}$. **B** $\frac{3}{8}$ to $\frac{1}{2}$. **C** $\frac{2}{3}$ to $\frac{3}{4}$. **D** $1\frac{1}{4}$ to $1\frac{1}{2}$.

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15 – (9708/11_Summer_2017_Q10) – *The Price System And The Micro Economy*

There is a reduction in world oil supplies due to war in some supplying countries at a time when the winter in some importing countries was much colder than usual. The diagram shows the original equilibrium price, P.



What will be the equilibrium price of oil in these circumstances?

A P_1 **B** P_2 **C** P_3 **D** P_4

16 – (9708/12_Summer_2017_Q10) – *The Price System And The Micro Economy*

The supply function for a good can be written as Q = 2P + 10, where Q is the quantity supplied in kilos and P is the price per kilo in dollars.

The price falls from \$15 to \$10 per kilo.

The value of price elasticity of supply for this price change lies in a range from

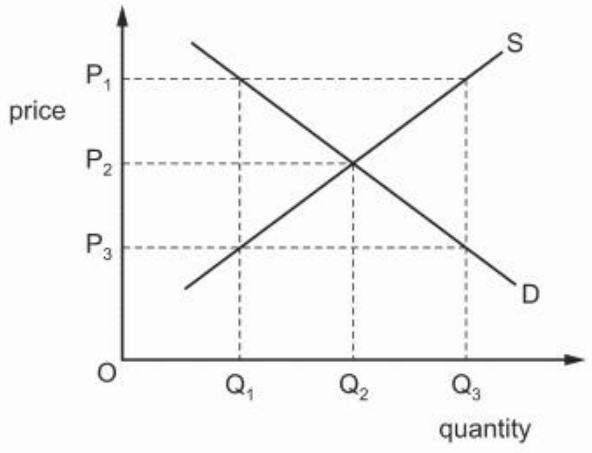
A $\frac{1}{6}$ to $\frac{1}{4}$. **B** $\frac{3}{8}$ to $\frac{1}{2}$. **C** $\frac{2}{3}$ to $\frac{3}{4}$. **D** $1\frac{1}{4}$ to $1\frac{1}{2}$.

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17 – (9708/13_Summer_2017_Q10) – *The Price System And The Micro Economy*

In a free market in disequilibrium, which combination of price and quantity will lead to a fall in price and a contraction in output to reach equilibrium?



A P_1Q_1 **B** P_1Q_3 **C** P_3Q_1 **D** P_3Q_3

18 – (9708/11_Summer_2017_Q11) – *The Price System And The Micro Economy*

Good X is a substitute for good Y and a complement to good Z.

What would happen after a fall in the price of good X?

A Only the demand for X will rise.

B Demand for X, Y and Z will rise.

C Demand for Y will fall and for Z will rise.

D Demand for Y will rise and for Z will fall.

19 – (9708/13_Summer_2017_Q11) – *The Price System And The Micro Economy*

A change in market conditions causes a reduction in supply. This results in a higher price for the product, which has a downward-sloping demand curve.

What must be the outcome of this higher price?

A a decrease in the demand for substitutes

B a decrease in the quantity demanded

C an increase in the factors employed in the industry

D an increase in producer's revenue

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20 – (9708/12_Summer_2017_Q12) – *The Price System And The Micro Economy*

What would prevent the operation of the market mechanism's rationing function?

A falling prices

B price controls

C rising profits

D self interest

21 – (9708/13_Summer_2017_Q12) – *The Price System And The Micro Economy*

The soap industry consists of several firms. Firm X produces a small percentage of total output.

What is likely to cause the supply curve for firm X to shift to the right while the market supply curve shifts to the left?

A Firm X has improved technology while other firms have higher input costs.

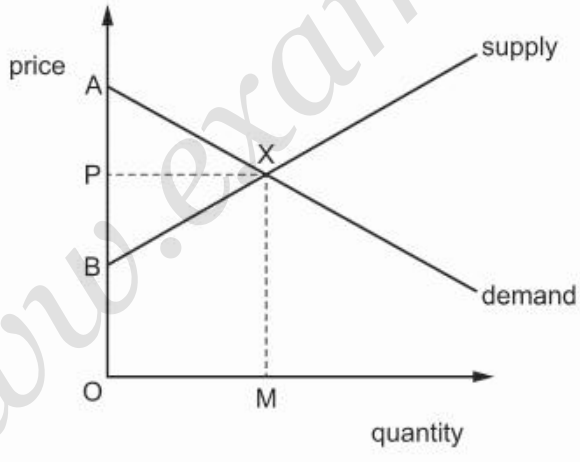
B Firm X has to pay a large fine for polluting a river while other firms have a tax reduction.

C Firm X is involved in a strike while other firms enter the industry.

D Firm X's rent and interest charges increase while other firms receive a government subsidy.

22 – (9708/12_Summer_2017_Q13) – *The Price System And The Micro Economy*

The diagram shows the demand and supply curves for a good during a certain period. The market price is shown by P and the quantity traded by point M.



Which area indicates producer surplus?

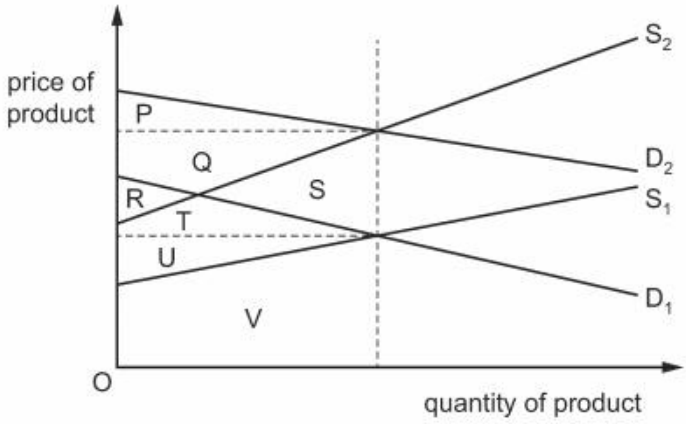
A AXB **B** AXMO **C** AXP **D** PXB

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23 – (9708/13_Summer_2017_Q13) – *The Price System And The Micro Economy*

D_1 and S_1 represent the initial demand and supply curves for a product.

D_2 and S_2 are the equivalent curves after changes in market conditions.

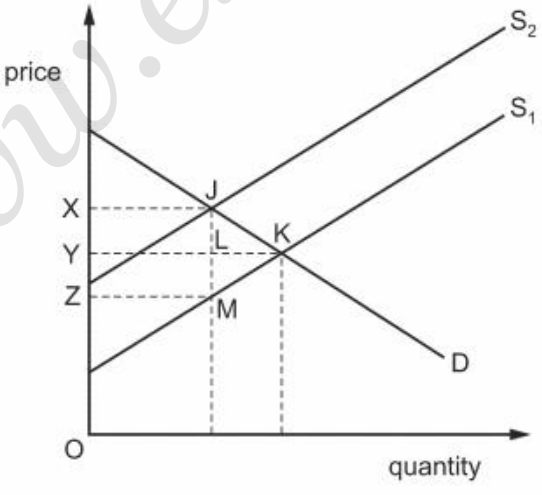


What are resulting changes in consumer and producer surplus?

	change in consumer surplus	change in producer surplus
A	from R to P	from U to Q
B	from R + T to P	from U to Q + R
C	from R + T to P	from V to Q
D	from R to P + S	from V to Q + R

24 – (9708/11_Summer_2017_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

The diagram illustrates the effects of placing a specific tax equal to JM on a good.



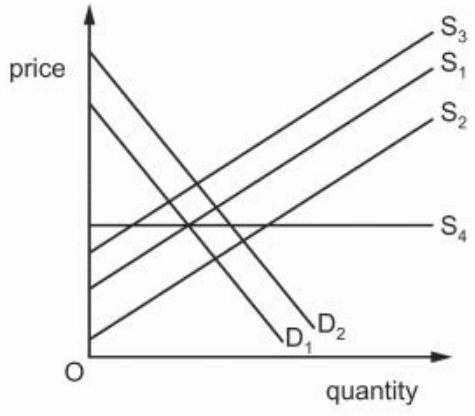
Which area represents total tax receipts?

A JKM **B** XJKY **C** XJLY **D** XJMZ

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25 – (9708/11_Summer_2017_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

The diagram shows the demand curve, D_1, and the supply curve, S_1, for a good.



The government decides to pay producers a specific subsidy for each unit supplied to the market.

Which curve shows the new effective demand or supply curve?

A D_2 **B** S_2 **C** S_3 **D** S_4

26 – (9708/13_Winter_2017_Q1) – *The Price System And The Micro Economy*

What distinguishes the very long run from the long run?

A the ability to change resource allocation

B the ability to change the state of technology

C the absence of government market intervention

D the existence of variable factors of production

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27 – (9708/11_Winter_2017_Q2) – *The Price System And The Micro Economy*

From 1990 to 2000 each of the countries listed below changed towards a market economy through privatisation programmes.

private sector share (% of GDP) (ratio of private enterprise earnings to GDP)			
	1990	1995	2000
Czechia	10	70	80
Hungary	20	60	80
Romania	15	45	60
Slovakia	10	60	80

What can be concluded about the rates of privatisation?

A Czechia initially made the fastest change.

B Hungary made the least overall change.

C Romania made the greatest overall change.

D Slovakia made the steadiest change.

28 – (9708/11_Winter_2017_Q5) – *The Price System And The Micro Economy*

What could cause a shift in the supply curve of good X and a movement along its supply curve?

	shift in the supply curve	movement along the supply curve
A	a change in consumer preferences	an increase in the price of a substitute good
B	a decrease in factor productivity	the imposition of a tax on good X
C	an increase in the price of a complementary good	an increase in factor productivity
D	an increase in the wage rates in the industry	a change in consumer preferences

29 – (9708/12_Winter_2017_Q5) – *The Price System And The Micro Economy*

What would **not** affect the position of the demand curve for wigs?

A an increase in incomes

B a reduction in the price of hairdressing

C an increase in wigs worn by television celebrities

D a reduction in the price of wigs

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30 – (9708/13_Winter_2017_Q5) – *The Price System And The Micro Economy*

There is a fall in the world price of tea traded on wholesale international markets.

How will this most likely affect the supply curve of a major tea retailer?

A It will cause a contraction along the supply curve.

B It will cause an extension along the supply curve.

C It will cause the supply curve to shift to the left.

D It will cause the supply curve to shift to the right.

31 – (9708/11_Winter_2017_Q6) – *The Price System And The Micro Economy*

A supply curve is represented by the equation, quantity supplied = 10 + 5P, where P = the price of the product.

Which price rise would cause the quantity supplied to double?

A \$1 to \$2 **B** \$1 to \$3 **C** \$1 to \$4 **D** \$1 to \$5

32 – (9708/12_Winter_2017_Q6) – *The Price System And The Micro Economy*

In which situation is the demand for a product said to be price elastic?

A The quantity demanded responds to a change in price.

B An increase in price brings about a decrease in the quantity demanded.

C An increase in price induces consumers to spend more on the product.

D A decrease in price brings about an increase in revenue.

33 – (9708/13_Winter_2017_Q6) – *The Price System And The Micro Economy*

It was estimated in 2015 that milk had an income elasticity of demand of –0.6.

What can be concluded about milk from this information?

A It accounts for only a small proportion of household expenditure.

B It has very few substitutes.

C Household expenditure on milk will decrease if the price of milk increases.

D It is an inferior good.

34 – (9708/11_Winter_2017_Q7) – *The Price System And The Micro Economy*

Along which axis can the market demand curve be aggregated from individual demand curves?

A both the horizontal and vertical axis

B the horizontal axis only

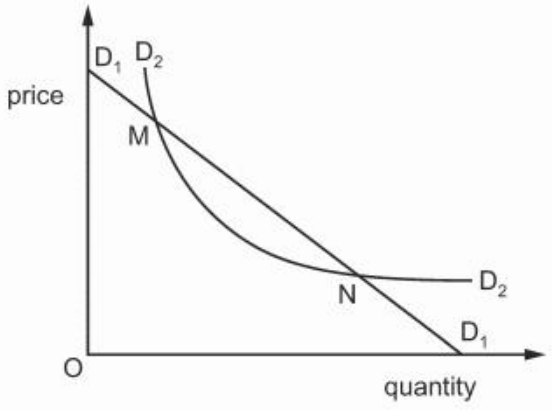
C the horizontal or the vertical axis but not both

D the vertical axis only

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35 – (9708/12_Winter_2017_Q7) – *The Price System And The Micro Economy*

In the diagram D_1D_1 is a straight line demand curve and D_2D_2 is a rectangular hyperbola curve.



Which statement is correct?

A D_2D_2 is more elastic than D_1D_1 at point M.

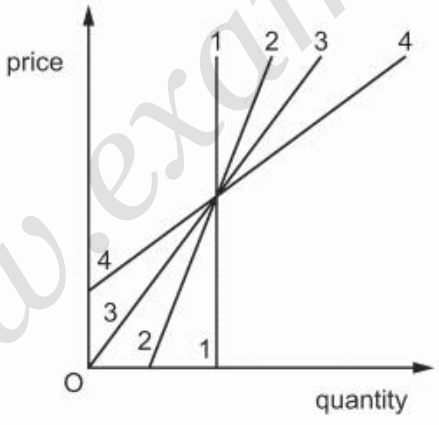
B D_2D_2 is more elastic than D_1D_1 at point N.

C The elasticity of demand increases on moving down both curves.

D The elasticity of demand is inelastic at point M on both curves.

36 – (9708/13_Winter_2017_Q7) – *The Price System And The Micro Economy*

The diagram shows four supply curves.



Which statement about the price elasticities of the curves is correct?

A Curve 1 has constant infinite elasticity.

B Curve 2 has elasticity greater than curve 4 over its whole length.

C Curve 3 has increasing elasticity as price rises.

D Curve 4 has decreasing elasticity as price rises.

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37 – (9708/11_Winter_2017_Q8) – *The Price System And The Micro Economy*

The table shows the price of a good and total expenditure on the good during specific periods when the market is in equilibrium.

period	price ($)	total expenditure ($)
1	12	96 000
2	5	40 000
3	8	64 000
4	10	80 000
5	4	32 000

What can be deduced from this data?

A The good has constant opportunity cost.

B The good is an inferior good.

C The price elasticity of demand is equal to one.

D The price elasticity of supply is equal to zero.

38 – (9708/12_Winter_2017_Q8) – *The Price System And The Micro Economy*

Over a four year period, as the price of new houses increases, the price elasticity of supply for new houses falls, as shown. All new houses were sold.

	supply of new houses	price of new houses ($)	price elasticity of supply
year 1	10 000	100 000	–
year 2	10 250	110 000	0.25
year 3	10 450	125 000	0.13
year 4	10 600	140 000	0.12

What shows price elasticity of supply became more inelastic from year to year?

A Dollar revenues to house builders declined each year.

B Each year, the government released more land for house building.

C The proportionate price change was greater than the proportionate supply change.

D The proportionate price change was the same as the proportionate supply change.

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39 – (9708/13_Winter_2017_Q8) – *The Price System And The Micro Economy*

The data shows both short-term and long-term changes in the quantities of a product that are supplied to a market in response to an increase in its price from $20 to $25 per unit.

quantity supplied at a price of $20 per unit	400 per week
quantity supplied after short-term adjustments when price rises to $25 per unit	440 per week
quantity supplied after long-term adjustments when price rises to $25 per unit	560 per week

What are the short-term and long-term price elasticities of supply for the product?

	short-term	long-term
A	0.4	1.6
B	2	8
C	2.5	0.625
D	8	32

40 – (9708/11_Winter_2017_Q9) – *The Price System And The Micro Economy*

The Chinese government relaxed controls on private house ownership. Private house ownership rose sharply, replacing demand for apartments rented from the state.

What would have been most likely to happen to private house prices and the rents of apartments?

	private house prices	apartment rents
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

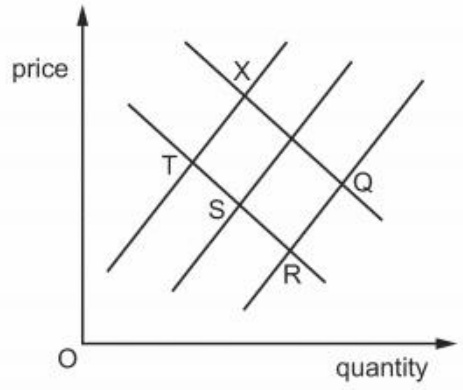
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41 – (9708/12_Winter_2017_Q9) – *The Price System And The Micro Economy*

Prices of gold, silver and copper fell considerably in 2011 and again in 2015. The fall in 2011 was said to be because miners increased production. The fall in 2015 was because demand, especially from China, decreased.

Assuming that the equilibrium before 2011 was X, how would these movements in 2011 and subsequently in 2015 be shown on the demand and supply diagram?



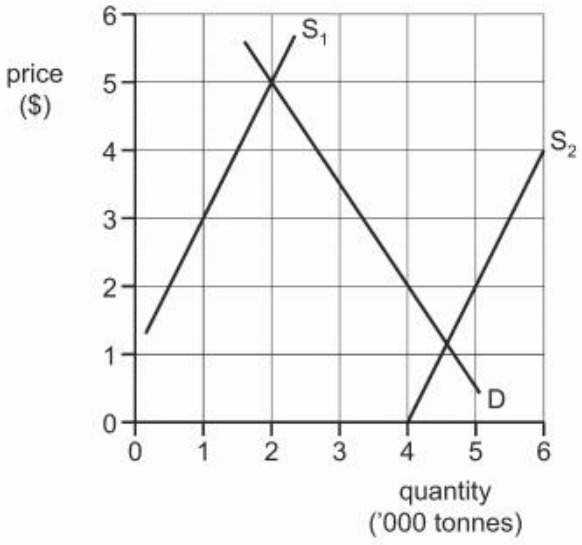
	initial equilibrium	2011 equilibrium	2015 equilibrium
A	X	Q	R
B	X	R	Q
C	X	S	R
D	X	T	S

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42 – (9708/13_Winter_2017_Q9) – *The Price System And The Micro Economy*

In the diagram, D is the demand curve for an agricultural commodity and S_1 is the initial supply curve. A good harvest causes the supply curve to shift to S_2.



By how much will the demand curve have to shift to leave farm incomes unchanged?

A 500 tonnes at all prices

B 1000 tonnes at all prices

C 2000 tonnes at all prices

D 4000 tonnes at all prices

43 – (9708/11_Winter_2017_Q10) – *The Price System And The Micro Economy*

What might explain a simultaneous increase in both price and quantity traded in the market for a normal good?

A the removal of an effective maximum price on the good

B technological progress in the production of the good

C the imposition of a tax on the good

D the granting of a subsidy to producers of the good

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44 – (9708/12_Winter_2017_Q10) – *The Price System And The Micro Economy*

Consumer X is the largest of five consumers and buys 50% of sales.

The table shows the quantity of the good demanded by consumer X and the market supply of the good.

price $	demand from consumer X	market supply
4	20	28
6	16	32
8	12	40
10	10	45

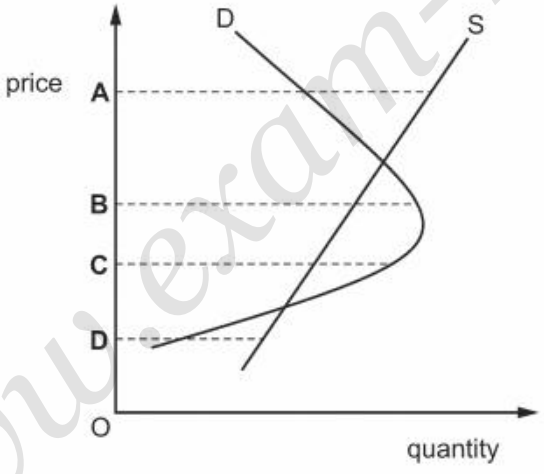
What would be the market equilibrium price?

A $4 **B** $6 **C** $8 **D** $10

45 – (9708/13_Winter_2017_Q10) – *The Price System And The Micro Economy*

A market is in an unstable disequilibrium when it does not return to its equilibrium point from a disequilibrium position. The diagram shows a market with two equilibrium points.

At which price is the market in an unstable disequilibrium?

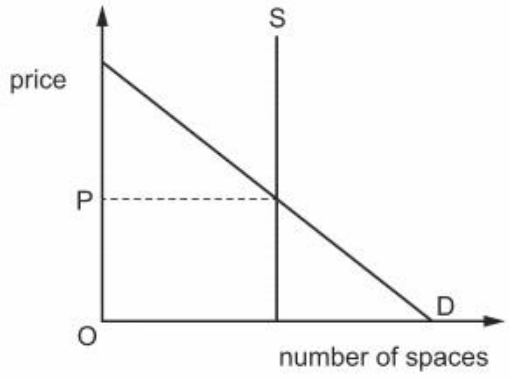


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46 – (9708/11_Winter_2017_Q11) – *The Price System And The Micro Economy*

The diagram shows the demand and supply curves for parking spaces in a hospital car park.



The managers decide to rely on the price mechanism to allocate parking spaces at the hospital.

What is required for this to work?

A Alternative means of transport must be provided for those unable to afford price OP.

B A survey will be needed to find out the amount users are willing to pay.

C The capacity of the car park will need to be expanded.

D The price charged for parking spaces must be OP.

47 – (9708/12_Winter_2017_Q11) – *The Price System And The Micro Economy*

What does **not** happen when price acts as a means to allocate resources?

A Price determines the supply of public goods.

B Price operates in the markets for both goods and factors of production.

C Price recognises consumers' ability to pay rather than consumers' needs.

D Price signals to producers which goods are most profitable.

48 – (9708/13_Winter_2017_Q11) – *The Price System And The Micro Economy*

In which situation will it be necessary to use an alternative to the price mechanism to allocate a good between consumers?

A Supply exceeds the quantity demanded at the initial market price.

B The government sets a price ceiling below the equilibrium price.

C The product is excludable and rival.

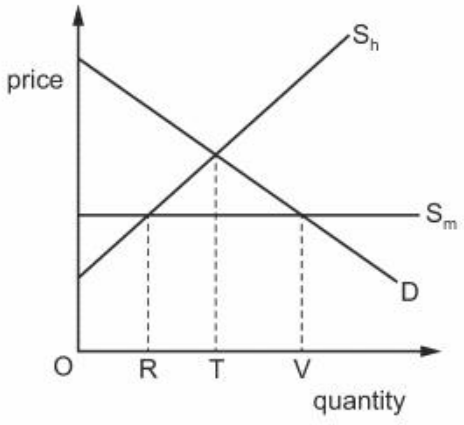
D There is a single monopoly producer.

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49 – (9708/11_Winter_2017_Q12) – *The Price System And The Micro Economy*

The diagram shows a market for a good which is supplied partly from domestic production and partly from imports. S_h represents domestic supply and S_m represents imports.



What will be the level of consumption and the associated quantity of imports?

	consumption	quantity of imports
A	OT	RT
B	OT	OT
C	OV	RT
D	OV	RV

50 – (9708/12_Winter_2017_Q12) – *The Price System And The Micro Economy*

What is meant by consumer surplus?

A the amount of money that remains after consumers have made their purchases

B the difference between how much a consumer is willing to pay for a good and the amount paid

C the difference between the amount of a good that's bought by a consumer and the amount consumed

D the difference between the price paid for a good and the cost of producing it

51 – (9708/13_Winter_2017_Q12) – *The Price System And The Micro Economy*

The table shows the price Rashid is willing to pay for successive bottles of water.

bottles of water	1st	2nd	3rd	4th
price willing to pay	$0.90	$0.80	$0.65	$0.50

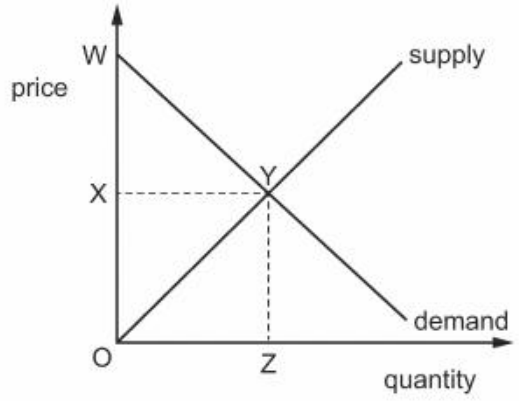
If the price is $0.50 and Rashid buys four bottles, what is the monetary value of Rashid's consumer surplus?

A $0.15 **B** $0.85 **C** $0.90 **D** $1.35

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52 – (9708/11_Winter_2017_Q13) – *The Price System And The Micro Economy*

The diagram shows the market for computers in Pakistan.

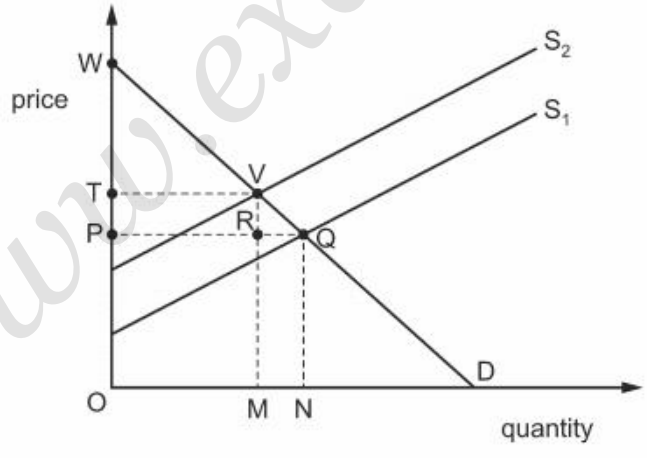


Which areas represent consumer surplus and consumer expenditure?

	consumer surplus	consumer expenditure
A	WXY	OXY
B	WXY	OXYZ
C	WYO	OXYZ
D	WYO	OYZ

53 – (9708/12_Winter_2017_Q13) – *The Price System And The Micro Economy*

In the diagram, S_1 is the original supply curve and D is the original demand curve.



If supply shifts to S_2, which area represents the change in consumer surplus?

A PQVT **B** PQW **C** PRVT **D** TVW

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54 – (9708/13_Winter_2017_Q13) – *The Price System And The Micro Economy*

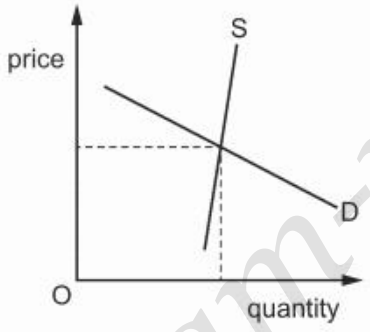
A market is in equilibrium at price $5. Market supply changes from being inelastic at each price to become elastic at each price. The market equilibrium price does not change.

What is the effect on consumer surplus and producer surplus?

	consumer surplus	producer surplus
A	rises	falls
B	rises	unchanged
C	unchanged	falls
D	unchanged	unchanged

55 – (9708/12_Winter_2017_Q16) – *The Price System And The Micro Economy*

The diagram shows the market for heating oil.



If the government introduces a production subsidy, how will the financial benefit be shared between consumers and producers?

A It will be shared equally between producer and consumer.

B It will go entirely to the producer.

C The majority will go to the consumer.

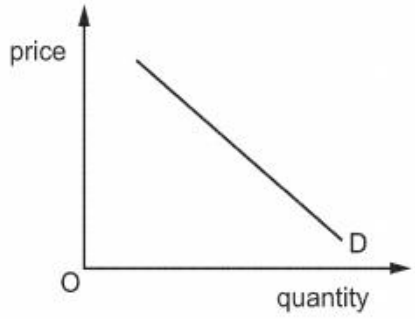
D The majority will go to the producer.

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56 – (9708/11_Summer_2018_Q5) – *The Price System And The Micro Economy*

The diagram shows a demand curve for a good.



Which statement describes the nature of this demand curve?

A A greater or smaller quantity is demanded as price changes.

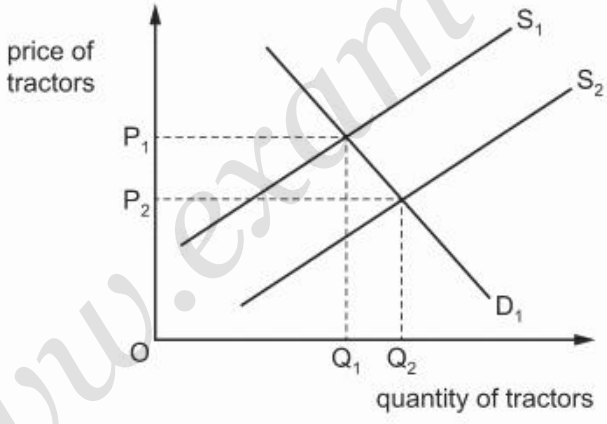
B A lower price is the result of a fall in demand.

C As demand increases so does price.

D Quantity changes in proportion to the change in price.

57 – (9708/12_Summer_2018_Q5) – *The Price System And The Micro Economy*

India is one of the largest producers of tractors in the world. S_1 and D_1 are the original supply and demand curves for Indian tractors.



What would cause the supply curve to move to S_2?

A a rise in the incomes of Indian farmers

B a rise in the price of electricity paid by Indian tractor manufacturers

C a rise in the price of tractors produced in the US

D a rise in the productivity of workers in Indian tractor factories

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58 – (9708/13_Summer_2018_Q5) – *The Price System And The Micro Economy*

What is likely to affect the position of the demand curve for tickets to pop concerts but **not** the position of the supply curve?

A a change in incomes of potential customers

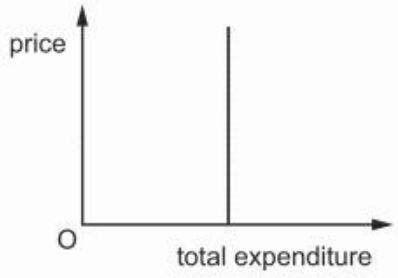
B a change in price of tickets to the concerts

C a change in rents charged by venue owners

D a change in seating capacity of concert venues

59 – (9708/11_Summer_2018_Q6) – *The Price System And The Micro Economy*

The diagram shows the relationship between the price and the total expenditure on a good.



Which statement is correct?

A The income elasticity of demand for the commodity is unity.

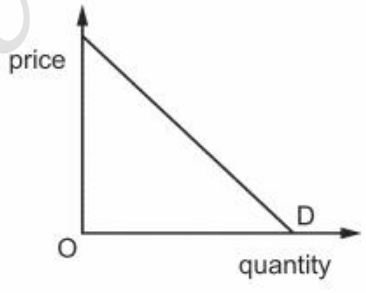
B The income elasticity of demand for the commodity is zero.

C The price elasticity of demand for the commodity is unity.

D The price elasticity of demand for the commodity is zero.

60 – (9708/12_Summer_2018_Q6) – *The Price System And The Micro Economy*

The diagram shows the demand curve for a product.



Which statement is correct?

A Consumer expenditure on the product always rises when price falls.

B Demand is less elastic at higher prices than at lower prices.

C Price elasticity of demand differs at every price.

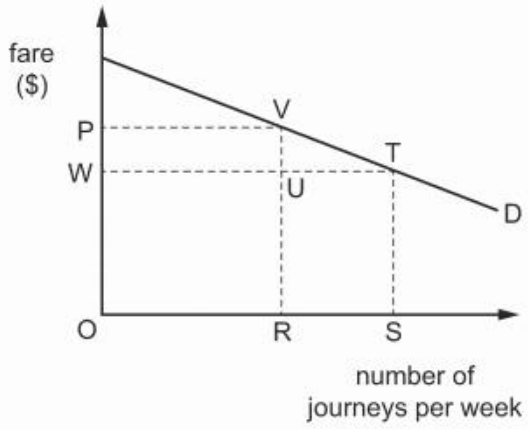
D Price elasticity of demand equals one at every price.

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61 – (9708/13_Summer_2018_Q6) – *The Price System And The Micro Economy*

The number of passenger journeys per week by train on a route is shown by the demand curve in the diagram.



Initially the fare is OP, but it is then reduced by PW.

Which area measures the amount spent on the extra journeys resulting from the lower fare?

A VUT **B** PWTV **C** VRST **D** URST

62 – (9708/11_Summer_2018_Q7) – *The Price System And The Micro Economy*

Over the last ten years the price elasticity of demand for tea in many countries has risen.

What is the most likely cause of this change in price elasticity?

A a decrease in the incomes of consumers

B a decrease in the number of complements to tea

C an increase in the amount of tea supplied

D an increase in the number of substitutes for tea

63 – (9708/12_Summer_2018_Q7) – *The Price System And The Micro Economy*

The cross-elasticity of demand between two goods will be higher

A the greater the difference in price between the two goods.

B the greater the income elasticities of demand for the two goods.

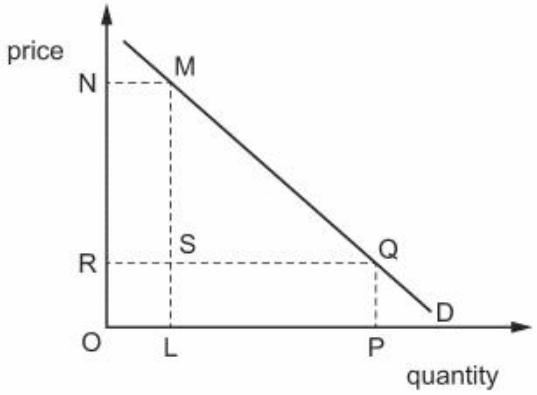
C the greater the price elasticities of demand for the two goods.

D the more they are regarded as similar by consumers.

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64 – (9708/13_Summer_2018_Q7) – *The Price System And The Micro Economy*

The diagram shows the demand curve for a product.



If the rectangle OLMN is equal in area to the rectangle OPQR, which statement is correct?

A A rise in price from OR to ON results in the same proportionate fall in quantity demanded.

B Consumer surplus falls by RSMN if the price rises from OR to ON.

C The price elasticity of demand is unitary for all changes in price.

D Total revenue falls by MSQ if the price rises from OR to ON.

65 – (9708/11_Summer_2018_Q8) – *The Price System And The Micro Economy*

What would be the price elasticity of supply of cell (mobile) phones if their price rose from US$100 to US$110 and the quantity supplied rose from 200 to 250?

A 0.2 **B** 0.4 **C** 2.5 **D** 5.0

66 – (9708/12_Summer_2018_Q8) – *The Price System And The Micro Economy*

The price elasticity of supply of a good is +2. The quantity supplied originally was 200 units.

The price increases by 30%.

What will the quantity supplied be after the price increase?

A 80 units **B** 140 units **C** 260 units **D** 320 units

67 – (9708/13_Summer_2018_Q8) – *The Price System And The Micro Economy*

When the supply of a good decreases, equilibrium price stays the same.

What is the price elasticity of demand of the good?

A –1

B zero

C +1

D infinite

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68 – (9708/11_Summer_2018_Q9) – *The Price System And The Micro Economy*

A product has a high price elasticity of supply.

What might explain this?

A The product has a high opportunity cost.

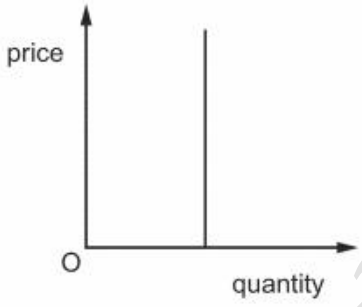
B The product has a non-perishable nature.

C The product is classed as an inferior good.

D The product is considered to be a luxury.

69 – (9708/13_Summer_2018_Q9) – *The Price System And The Micro Economy*

The curve in the diagram shows a relationship between the price and the quantity of a product. It has not been given a label.



What is an accurate description of the curve?

A a perfectly elastic demand curve

B a perfectly inelastic supply curve

C a relatively elastic supply curve

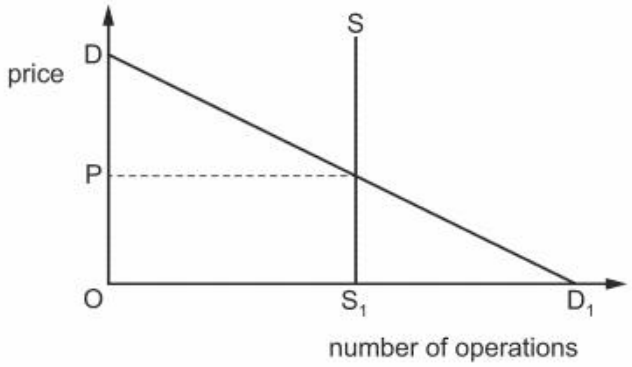
D a unitary elastic demand curve

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70 – (9708/11_Summer_2018_Q10) – *The Price System And The Micro Economy*

The diagram shows the demand curve, DD_1, and the supply curve, SS_1, for eye operations.



The operations are provided free to the consumer.

Which statement is correct?

A Consumer surplus from the operations is ODD_1.

B The equilibrium price is indeterminate, because the supply curve is vertical.

C The equilibrium price is P.

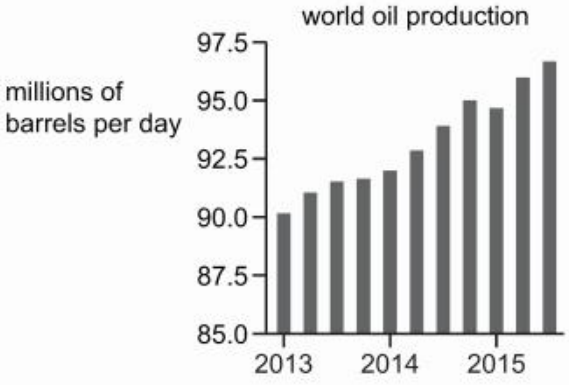
D The equilibrium price is zero.

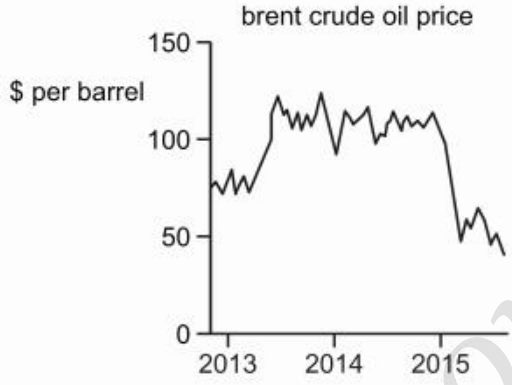
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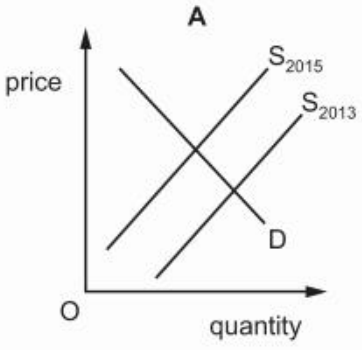
71 – (9708/13_Summer_2018_Q10) – *The Price System And The Micro Economy*

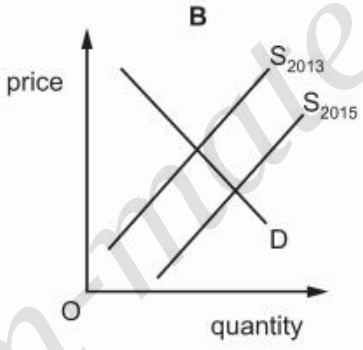
The diagrams show some information about oil.

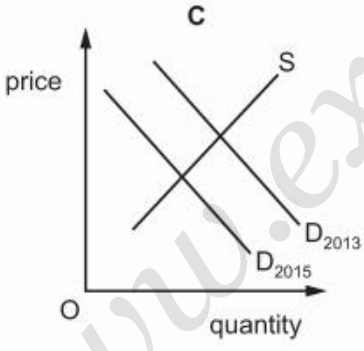


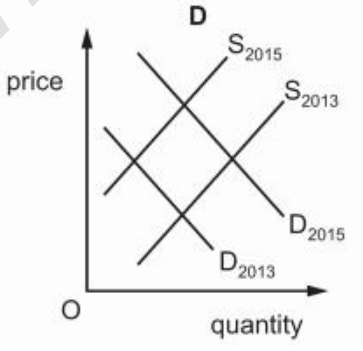


Which diagram represents the change in the oil market between 2013 and 2015?









72 – (9708/11_Summer_2018_Q11) – *The Price System And The Micro Economy*

The demand for houses in London has caused house prices to rise considerably in the last five years. Many people cannot now afford to buy a house.

What can be concluded from this?

A On a demand and supply diagram for houses there has been a movement up the demand curve.

B On a demand and supply diagram for houses there has been a movement up the supply curve.

C The price elasticity of demand for houses is greater than one.

D The price elasticity of supply of houses is zero.

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73 – (9708/12_Summer_2018_Q11) – *The Price System And The Micro Economy*

During a certain period, 10 000 units of a normal good are sold at a price of US$20. During a later period, 12 000 units are sold at a price of US$22.

What could explain this change?

A an increase in indirect taxation

B an increase in the cost of raw materials

C an increase in the price of a substitute commodity

D an increase in the productivity of factors of production

74 – (9708/12_Summer_2018_Q12) – *The Price System And The Micro Economy*

A free market is in disequilibrium with a shortage of a product.

As the market moves towards equilibrium, what will happen to the price, the quantity demanded and the quantity supplied?

	price	quantity demanded	quantity supplied
A	decrease	decrease	increase
B	decrease	increase	decrease
C	increase	decrease	increase
D	increase	increase	decrease

75 – (9708/13_Summer_2018_Q12) – *The Price System And The Micro Economy*

What is necessary for consumer surplus to be zero?

A Demand is perfectly elastic.

B Demand is perfectly inelastic.

C Supply is perfectly elastic.

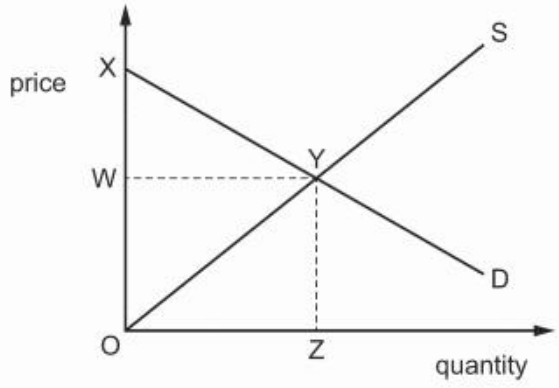
D Supply is perfectly inelastic.

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76 – (9708/11_Summer_2018_Q13) – *The Price System And The Micro Economy*

The diagram shows the demand curve and supply curve for a product.



Which area represents producer surplus?

A OWYZ minus OWY

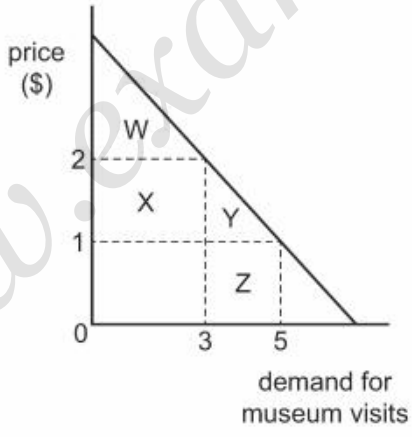
B OWYZ minus OYZ

C OXYZ minus OYZ

D OXYZ minus WXY

77 – (9708/13_Summer_2018_Q13) – *The Price System And The Micro Economy*

A local government decides to issue a card for residents that gives a 50% reduction on entry prices for visits to local museums. The diagram shows the demand curve for a resident who currently makes 3 museum visits.



What would be the change in the resident's consumer surplus when the card is issued?

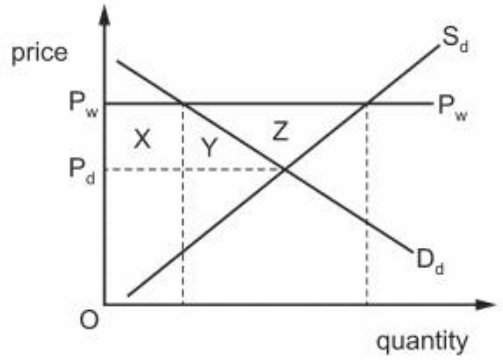
A W **B** X + Y **C** Y **D** Y + Z

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78 – (9708/13_Summer_2018_Q27) – *The Price System And The Micro Economy, The Macro Economy*

A country takes no part in international trade and its domestic market price is P_d. The country decides to engage in free trade and the market price rises to the world price (P_w).



What happens to consumer surplus and producer surplus when the economy engages in free trade?

A Domestic consumers gain Z only.

B Domestic consumers lose X + Y.

C Domestic producers gain Z only.

D Domestic producers lose X + Y + Z.

79 – (9708/11_Winter_2018_Q1) – *The Price System And The Micro Economy*

The demand for a product is inversely related to its price, ceteris paribus.

What does *ceteris paribus* mean in this context?

A Factors affecting demand other than price are held constant.

B Factors affecting price other than demand are held constant.

C Price changes result from changes in demand.

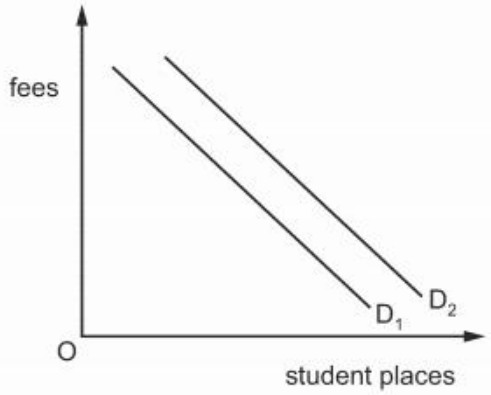
D Price falls result in increased quantity demanded.

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80 – (9708/11_Winter_2018_Q5) – *The Price System And The Micro Economy*

In the diagram, D_1 is the initial demand curve for student places at universities.



What could cause the demand curve to shift to D_2?

A a decrease in student fees for universities

B a decrease in the level of youth unemployment

C an increase in graduate earnings compared with non-graduate earnings

D higher A Level grades demanded for university entrance

81 – (9708/12_Winter_2018_Q5) – *The Price System And The Micro Economy*

What will happen to an industry's supply curve if new firms enter the industry?

A It will shift to the left at any given price.

B It will shift to the right at any given price.

C There will be a downward movement along the supply curve.

D There will be an upward movement along the supply curve.

82 – (9708/13_Winter_2018_Q5) – *The Price System And The Micro Economy*

What is **not** held constant when aggregating individual firms' supply curves to give the short-run market supply curve?

A the number of firms in the industry

B the price of the product

C the prices of factors of production

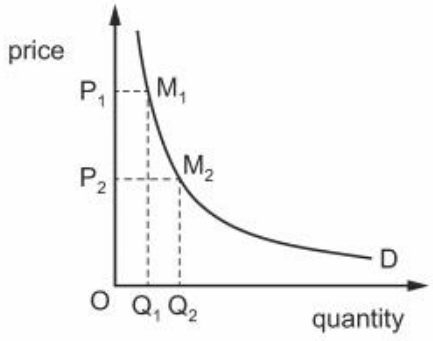
D the state of technology

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83 – (9708/11_Winter_2018_Q6) – *The Price System And The Micro Economy*

In the diagram, area $OP_1M_1Q_1$ is equal to area $OP_2M_2Q_2$.



What is the value of the price elasticity of demand if the price is halved from P_1 to P_2?

A –1

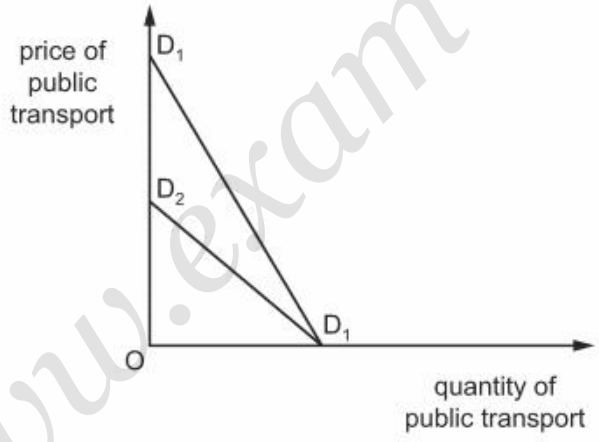
B –0.5

C zero

D infinity

84 – (9708/12_Winter_2018_Q6) – *The Price System And The Micro Economy*

D_1D_1 shows an individual's initial demand curve for public transport.



What would cause the demand curve to shift to D_2D_1?

A The cost of running the individual's car rises.

B The individual is banned from driving.

C The price of public transport rises.

D The quality of public transport declines.

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85 – (9708/11_Winter_2018_Q7) – *The Price System And The Micro Economy*

Which elasticity values indicate that cars are normal goods and that petrol is a complement to car use?

	income elasticity of demand (YED) for cars	cross elasticity of demand (XED) for petrol relative to changes in car prices
A	YED is negative	XED is negative
B	YED is negative	XED is positive
C	YED is positive	XED is negative
D	YED is positive	XED is positive

86 – (9708/12_Winter_2018_Q7) – *The Price System And The Micro Economy*

Two goods X and Y have a positive cross-elasticity of demand and upward-sloping supply curves.

What will be the effect of a reduction in the price of good Y?

A The demand for good X will increase.

B The demand for good Y will decrease.

C The price of good X will decrease.

D The quantity of good X supplied will increase.

87 – (9708/11_Winter_2018_Q8) – *The Price System And The Micro Economy*

What is it necessary to know in order to calculate the price elasticity of supply of a product when its price changes?

A the amount of the price change; the quantity demanded at the original price; the quantity supplied at the new price

B the equilibrium market price; the quantity demanded at equilibrium; the quantity supplied at equilibrium

C the original and new market price; the quantity supplied at the original price; the quantity supplied at the new price

D the quantity demanded at the new price; the price change; the quantity supplied at the new price

88 – (9708/12_Winter_2018_Q8) – *The Price System And The Micro Economy*

Which statement best describes the meaning of price elasticity of supply?

A how much price changes when there has been a change in supply

B how much supply changes when there is a change in demand

C how much supply changes when there is a change in price

D how much supply changes when there is a change in the price of a substitute

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89 – (9708/12_Winter_2018_Q9) – *The Price System And The Micro Economy*

The table shows changes in a consumer's expenditure on various goods when her income increases from $20 000 to $24 000.

good	income $20 000: amount spent on good ($)	income $24 000: amount spent on good ($)
W	100	96
X	100	100
Y	200	224
Z	200	248

Assuming all else remains unchanged, for which goods is the consumer's income elasticity of demand greater than 1.0?

A W, Y and Z

B W and Z only

C W only

D Z only

90 – (9708/11_Winter_2018_Q10) – *The Price System And The Micro Economy*

The demand for a good falls at the same time as its costs of production decrease.

What will be the combined effect of these changes on the price and on the quantity supplied of the good?

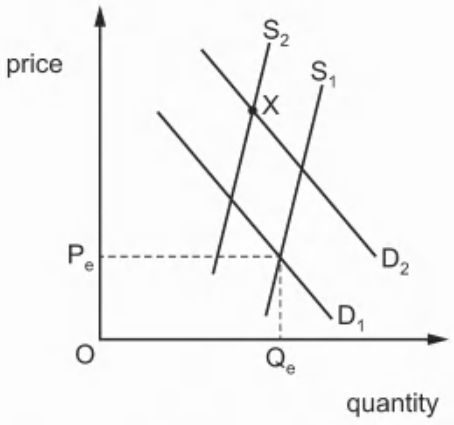
	price	quantity supplied
A	decrease	decrease
B	decrease	uncertain
C	uncertain	decrease
D	uncertain	uncertain

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91 – (9708/12_Winter_2018_Q10) – *The Price System And The Micro Economy*

The diagram shows the market for cocoa, which is a normal good. Initially the market is in equilibrium with price P_e and quantity Q_e bought and sold.



Which sequence of events (event 1 followed by event 2) must have occurred in order to move to the new equilibrium at point X?

	event 1	event 2
A	a decline in popularity of cocoa	the removal of a subsidy previously paid to cocoa producers
B	a decrease in disposable income	a decrease in costs of producing cocoa
C	an increase in disposable income	an increase in the number of cocoa producers
D	a successful advertising campaign by cocoa producers	an increase in the taxation of cocoa

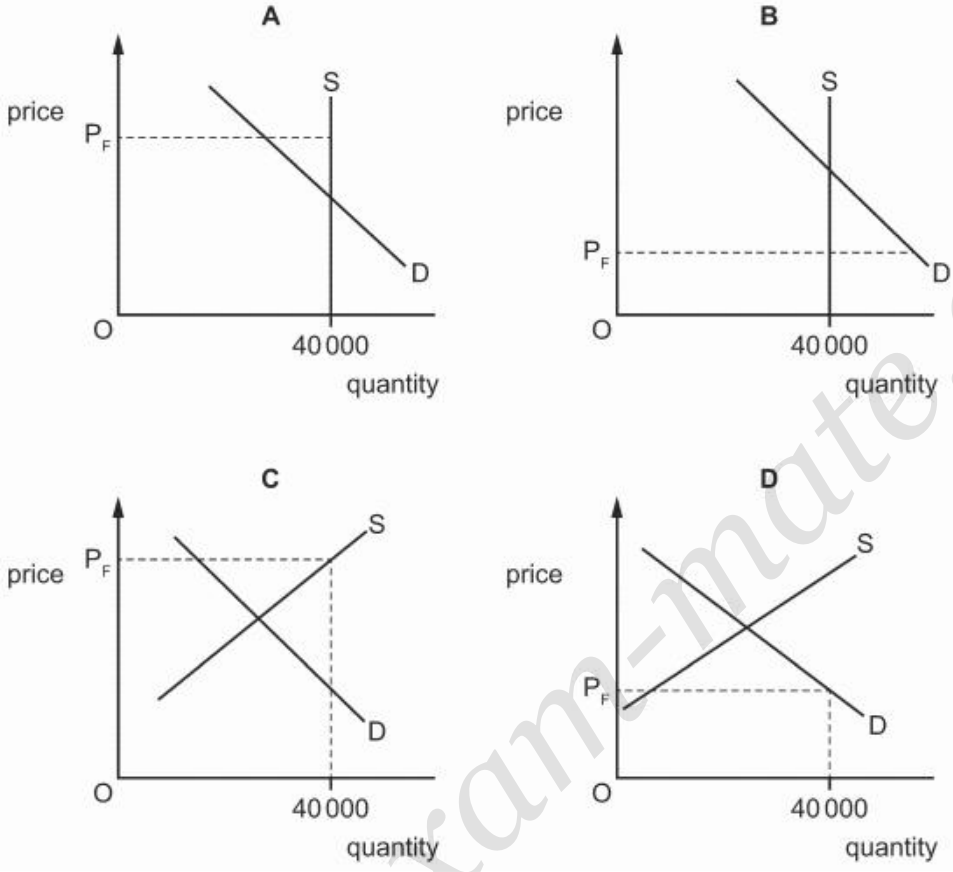
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92 – (9708/11_Winter_2018_Q11) – *The Price System And The Micro Economy*

The final of a major sports event is held in a stadium which has a fixed capacity of 40 000 people. The price for a seat is set at P_F, but when the tickets go on sale all tickets are sold very quickly with many disappointed people unable to buy a ticket.

Which diagram best represents this?



93 – (9708/12_Winter_2018_Q11) – *The Price System And The Micro Economy*

Goods X and Y are complements and have upward-sloping supply curves.

What will be the effect on the equilibrium price and quantity of good X of an increase in the supply of good Y?

	quantity of X	price of X
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

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94 – (9708/13_Winter_2018_Q11) – *The Price System And The Micro Economy*

The table shows a competitive market in equilibrium in two periods.

period	market price (cents)	quantity traded
1	50	10 000
2	60	12 000

What could explain the change from period 1 to period 2?

A an increase in the price of a complement

B an increase in the price of a substitute

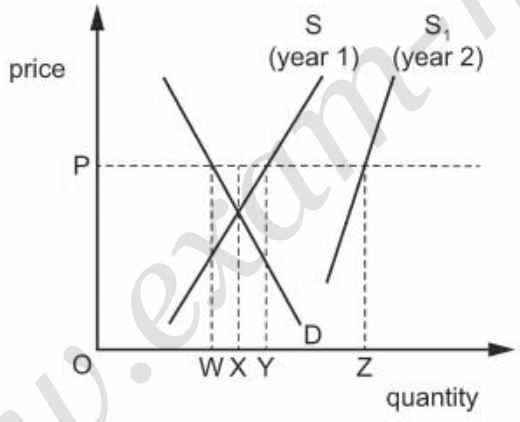
C the imposition of a minimum price of 60 cents by a government

D the imposition of an indirect tax on suppliers

95 – (9708/11_Winter_2018_Q12) – *The Price System And The Micro Economy*

In the diagram S and S_1 are the supply curves for an agricultural product in years 1 and 2 respectively. D is the demand curve in years 1 and 2.

In year 1 the government purchased an amount necessary to ensure that the price was OP.



The price is held at OP in year 2.

How much more must the government buy in year 2 than it bought in year 1?

A WZ **B** XY **C** XZ **D** YZ

96 – (9708/12_Winter_2018_Q12) – *The Price System And The Micro Economy*

What is generally considered to be one of the advantages of using the price mechanism as a rationing device?

A It ensures that goods are allocated in accordance with the wants of consumers.

B It ensures that suppliers cannot make excessive profits.

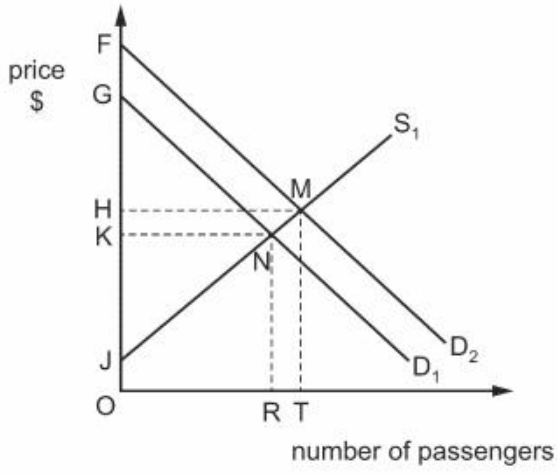
C No one can be prevented from consuming a good if they are willing and able to pay the market price.

D The allocation of goods is determined by consumers' wealth.

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97 – (9708/11_Winter_2018_Q13) – *The Price System And The Micro Economy*

The diagram shows the European airline market. The original demand curve is D_1 and the original supply curve is S_1. There is then an increase in the demand for air travel.



Which areas show the consumer surplus and producer surplus at the new equilibrium?

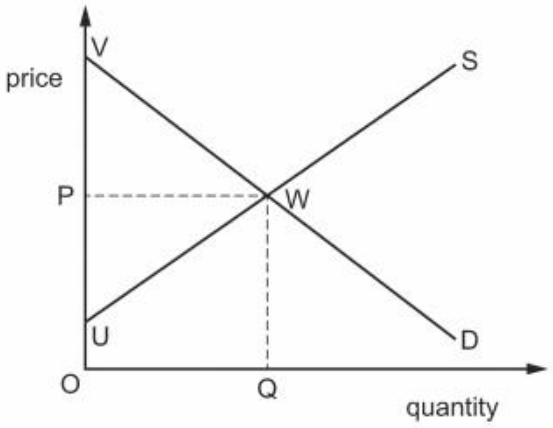
	consumer surplus	producer surplus
A	FMH	HMJ
B	FMH	JMTO
C	GNK	KNJ
D	GNK	KNRO

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98 – (9708/12_Winter_2018_Q13) – *The Price System And The Micro Economy*

The diagram shows a competitive market in equilibrium with price P and quantity Q sold.



Which area represents the producer surplus?

A OPWQ minus OUWQ

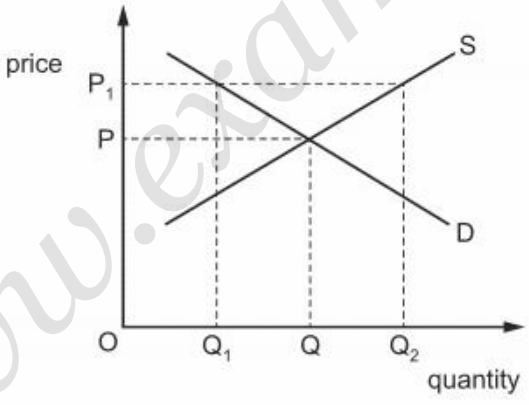
B OPWQ minus UPW

C OVWQ minus OPWQ

D OVWQ minus PVW

99 – (9708/11_Winter_2018_Q14) – *The Price System And The Micro Economy*

The diagram shows the demand and supply curves for a good.



The government fixes a maximum price of OP_1.

What would happen?

A Consumers would have to be rationed to quantity OQ_1.

B The government would have to introduce a subsidy of PP_1.

C The market equilibrium quantity OQ would be demanded and supplied.

D The supply of quantity OQ_2 would be guaranteed.

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100 – (9708/11_Winter_2018_Q27) – *The Macro Economy, The Price System And The Micro Economy*

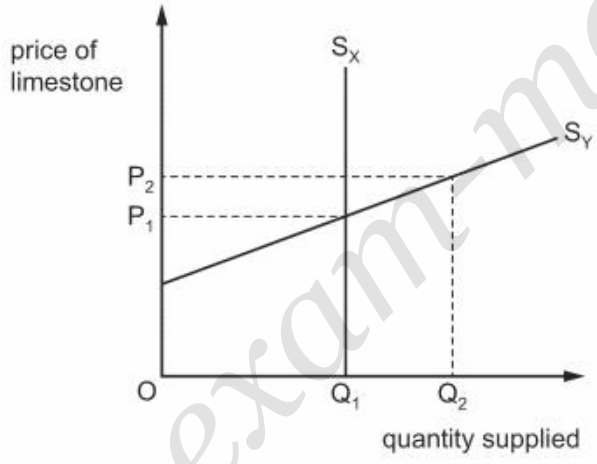
Country M imposes a tariff on imports of steel.

Which price elasticity values will result in the smallest reduction in steel imports into M?

	price elasticity of supply of domestic steel producers in country M	price elasticity of demand for steel in country M
A	0.2	0.4
B	1.0	0.8
C	1.5	1.0
D	2.0	1.2

101 – (9708/12_Summer_2019_Q5) – *The Price System And The Micro Economy*

The diagram shows the supply of limestone from quarry X and quarry Y at two prices.



What is the measure of the responsiveness of supply as the price increases from P_1 to P_2?

	S_X	S_Y
A	0	>1
B	<1	1
C	1	<1
D	>1	0

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102 – (9708/13_Summer_2019_Q5) – *The Price System And The Micro Economy*

Which statement about market disequilibrium is correct?

A Price is likely to change.

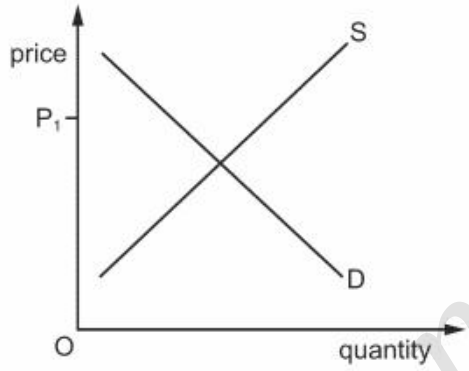
B Supply is equal to demand.

C The government must intervene.

D There must be shortages.

103 – (9708/11_Summer_2019_Q6) – *The Price System And The Micro Economy*

The diagram shows the demand for, and supply of, carrots.



What is true at price P_1?

A There will be a shortage of carrots.

B There will be a surplus of carrots.

C There will be an increase in the sale of carrots.

D There will be market clearing of carrots.

104 – (9708/12_Summer_2019_Q6) – *The Price System And The Micro Economy*

What is a perfectly contestable market?

A a market in which the costs of entry and exit are zero

B a market in which there are high barriers to entry

C a market that has high sunk costs

D a market that uses price discrimination

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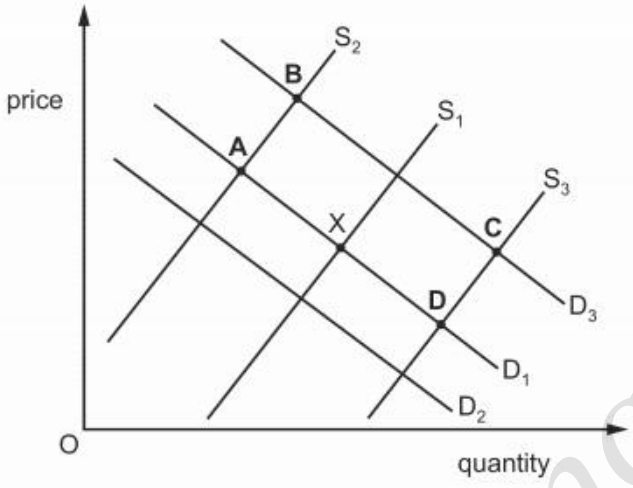
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105 – (9708/13_Summer_2019_Q6) – *The Price System And The Micro Economy*

In the diagram, D_1 and S_1 represent the demand for and supply of luxury watches. Equilibrium is initially at point X.

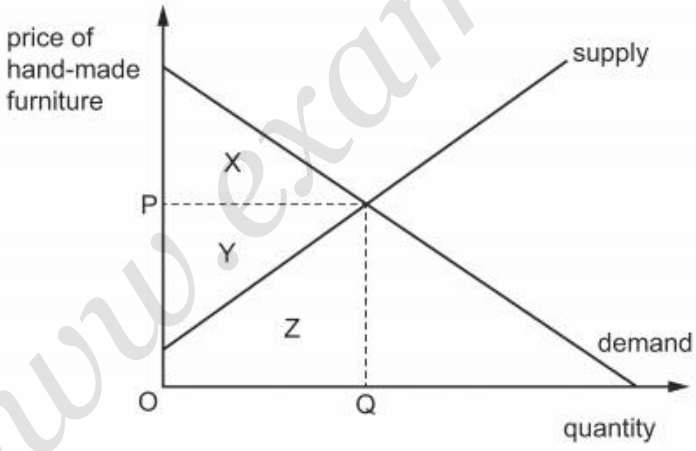
The cost of raw materials for manufacturing watches rises. At the same time the incomes of the rich increase.

Which point on the diagram is **most** likely to represent the new equilibrium?



106 – (9708/11_Summer_2019_Q7) – *The Price System And The Micro Economy*

The diagram shows the market for hand-made furniture.



Which area of the diagram represents the producer surplus?

A area X

B area X + Y

C area Y

D area Y + Z

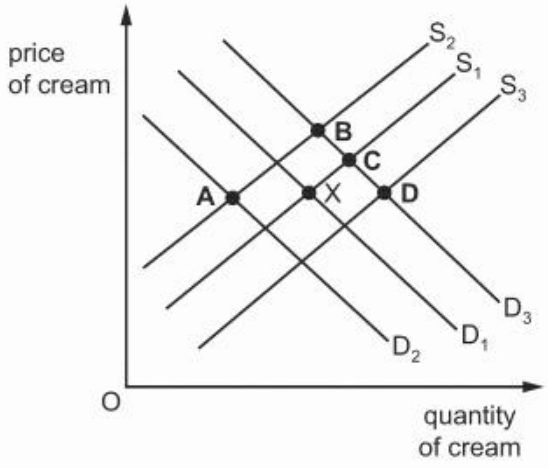
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107 – (9708/12_Summer_2019_Q7) – *The Price System And The Micro Economy*

The diagram shows the demand for and supply of cream. The original equilibrium is point X. Strawberries and cream are complementary goods.

If the price of strawberries falls and the cost of producing cream increases which point represents the new equilibrium?



108 – (9708/13_Summer_2019_Q7) – *The Price System And The Micro Economy*

The equation for the quantity demanded (QD) of a product is QD = 400 – 20P where P = price in dollars. The quantity supplied (QS) is given by QS = 100 + 40P.

What can be concluded about the market when price is $5?

A Consumers will face a shortage.

B Government will intervene in the market.

C Producers will have a surplus of the product.

D The market will be in equilibrium.

109 – (9708/11_Summer_2019_Q8) – *The Price System And The Micro Economy*

How is the market supply of a product in a competitive market obtained?

A by aggregating the supply of all firms producing the product

B by averaging the supply of all firms producing the product

C by calculating the supply of the typical firm producing the product

D by estimating the supply of the largest firm producing the product

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110 – (9708/12_Summer_2019_Q8) – *The Price System And The Micro Economy*

Hunters in Mozambique want to extract wild honey from beehives. They find the beehives by following birds known as honeyguide birds who want the beeswax that is also found in the beehives.

What does this suggest?

A Hunters and honeyguide birds are rival consumers.

B Wild honey and beeswax are free goods.

C Wild honey and beeswax are in joint supply.

D Wild honey is the opportunity cost of beeswax.

111 – (9708/13_Summer_2019_Q8) – *The Price System And The Micro Economy*

When is the supply curve for a car manufacturing firm **most** likely to be price elastic?

A when the firm finds it difficult to recruit new labour

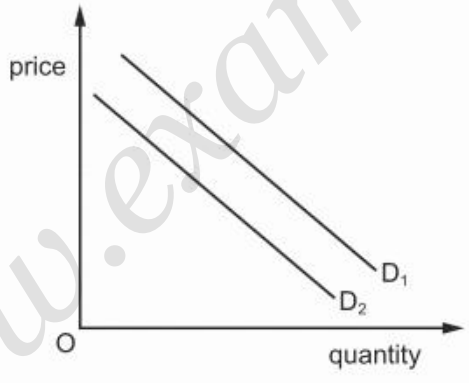
B when the firm has a large quantity of stock

C when the firm is operating in the short run

D when the firm is operating near to full capacity

112 – (9708/11_Summer_2019_Q9) – *The Price System And The Micro Economy*

The diagram shows the demand curve for luxury cars.



The shift in the demand curve D_1 to D_2 can be explained by

A a decrease in air travel.

B an increase in advertising by luxury car manufacturers.

C an increase in income.

D an increase in the price of petrol.

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113 – (9708/12_Summer_2019_Q9) – *The Price System And The Micro Economy*

What follows if the income elasticity of demand for a good has a value of –0.2?

A When income rises less of the good is bought.

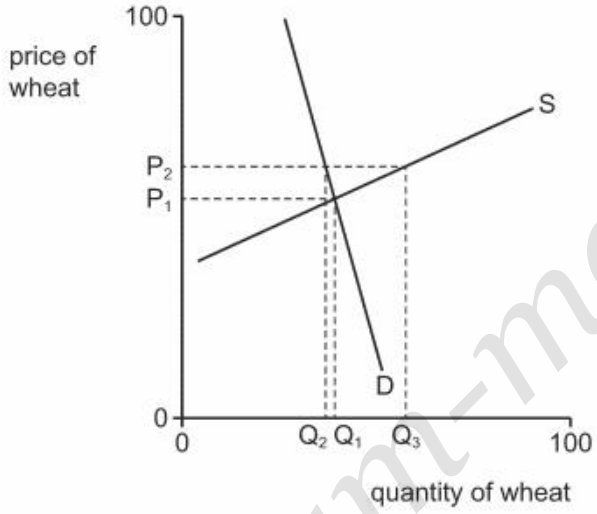
B When income rises more of the good is bought.

C When price falls more of the good is bought.

D When price rises less of the good is bought.

114 – (9708/13_Summer_2019_Q9) – *The Price System And The Micro Economy*

The diagram shows a market for wheat.



What is the response of demand for and supply of wheat when the price of wheat falls from P_2 to P_1?

	demand	supply
A	elastic	elastic
B	elastic	inelastic
C	inelastic	elastic
D	inelastic	inelastic

115 – (9708/11_Summer_2019_Q10) – *The Price System And The Micro Economy*

What is cross elasticity of demand?

A the responsiveness of price of good X due to a change in demand of good Y

B the responsiveness of quantity demanded of a good due to a change in its price

C the responsiveness of quantity demanded of good X due to a change in quantity of good Y

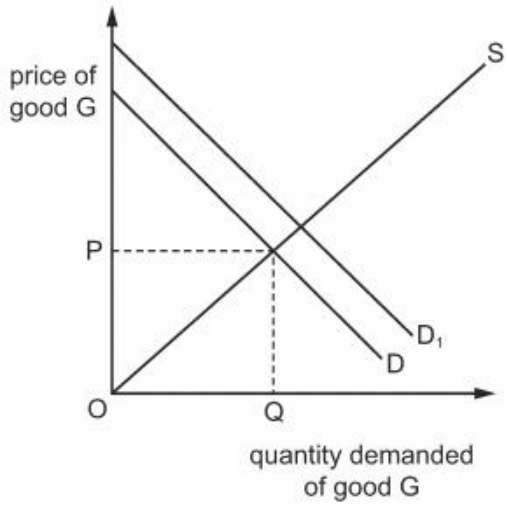
D the responsiveness of quantity demanded of good X due to a change in the price of good Y

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116 – (9708/12_Summer_2019_Q10) – *The Price System And The Micro Economy*

The diagram shows the relationship between price (P) and demand (D) for a normal good G.



What would cause a shift to D_1?

A a decrease in the price of a substitute good

B a fall in the level of advertising for the good G

C a rise in the price of good G

D an increase in the incomes of consumers

117 – (9708/13_Summer_2019_Q10) – *The Price System And The Micro Economy*

The table shows the demand schedule for avocados in a market on a particular day.

The supply of avocados was fixed on that day.

$ per avocado	quantity demanded
2.60	500
2.40	640
2.20	740
2.00	820
1.80	900

Which statement is correct?

A If the supply was 490, at a price of $2.60 there was an excess demand of 10 avocados.

B If the supply was 650, at a price of $2.40 there was an excess demand of 10 avocados.

C If the supply was 810, at a price of $2.00 there was an excess supply of 10 avocados.

D If the supply was 890, at a price of $1.80 there was an excess supply of 10 avocados.

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118 – (9708/11_Summer_2019_Q11) – *The Price System And The Micro Economy*

Consumers receive an increase in their incomes.

Which circumstances will cause the quantity of the product sold to increase the most?

	nature of the product	price elasticity of supply of the product
A	inferior good	price elastic
B	inferior good	price inelastic
C	normal good	price elastic
D	normal good	price inelastic

119 – (9708/12_Summer_2019_Q11) – *The Price System And The Micro Economy*

What is **most** likely to cause an increase in the consumer surplus in the market for a normal good?

A an increase in consumer incomes

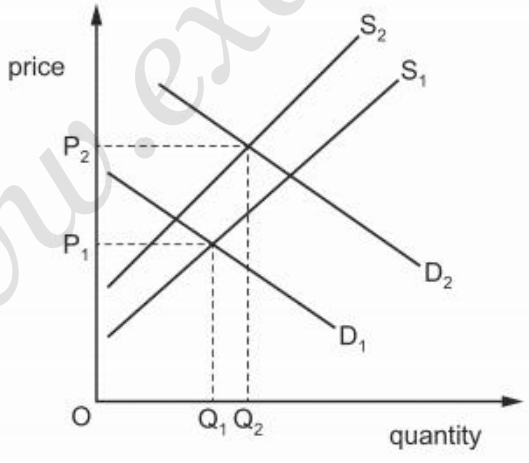
B an increase in the number of substitute goods

C an increase in the price of a complementary good

D an increase in the price of the good

120 – (9708/13_Summer_2019_Q11) – *The Price System And The Micro Economy*

The diagram shows the demand and supply curves of a normal good (X). Q_1P_1 is the initial equilibrium.



Other things being equal, what may cause the change in the market equilibrium to Q_2P_2?

A a fall in household incomes and an increase in interest rates

B a rise in workers' real wages in all sectors of the economy

C an increase in income tax and a rise in the specific tax levied on X

D an increase in the price of a substitute product for X and a fall in the costs of producing X

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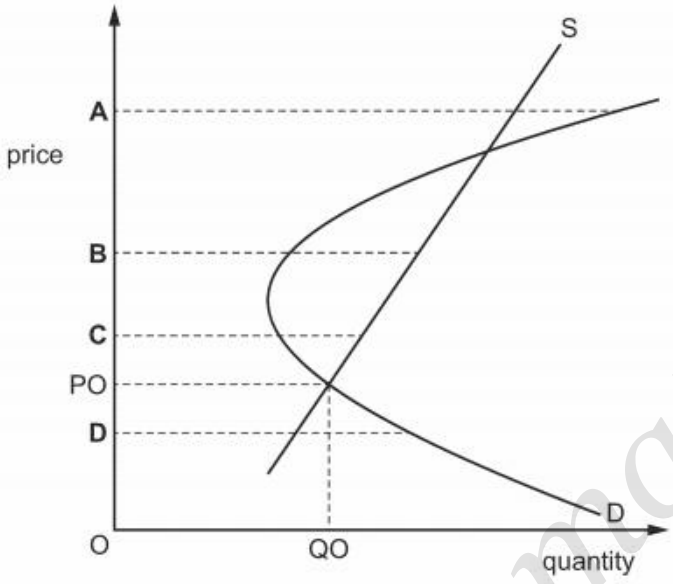
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121 – (9708/11_Summer_2019_Q12) – *The Price System And The Micro Economy*

An unstable disequilibrium is when a market does not return to an original equilibrium point from a disequilibrium position. The diagram shows a market with two equilibrium points.

PO/QO is the original market equilibrium.

At which price is the market in an unstable disequilibrium?



122 – (9708/12_Summer_2019_Q12) – *The Price System And The Micro Economy*

The cross elasticity of demand between two products, X and Y, is negative.

What would be the immediate effect of a rise in the price of product Y?

A Quantity demanded of product X will fall.

B Supply of product X will rise.

C The cross elasticity of demand will rise.

D The price of product X will rise.

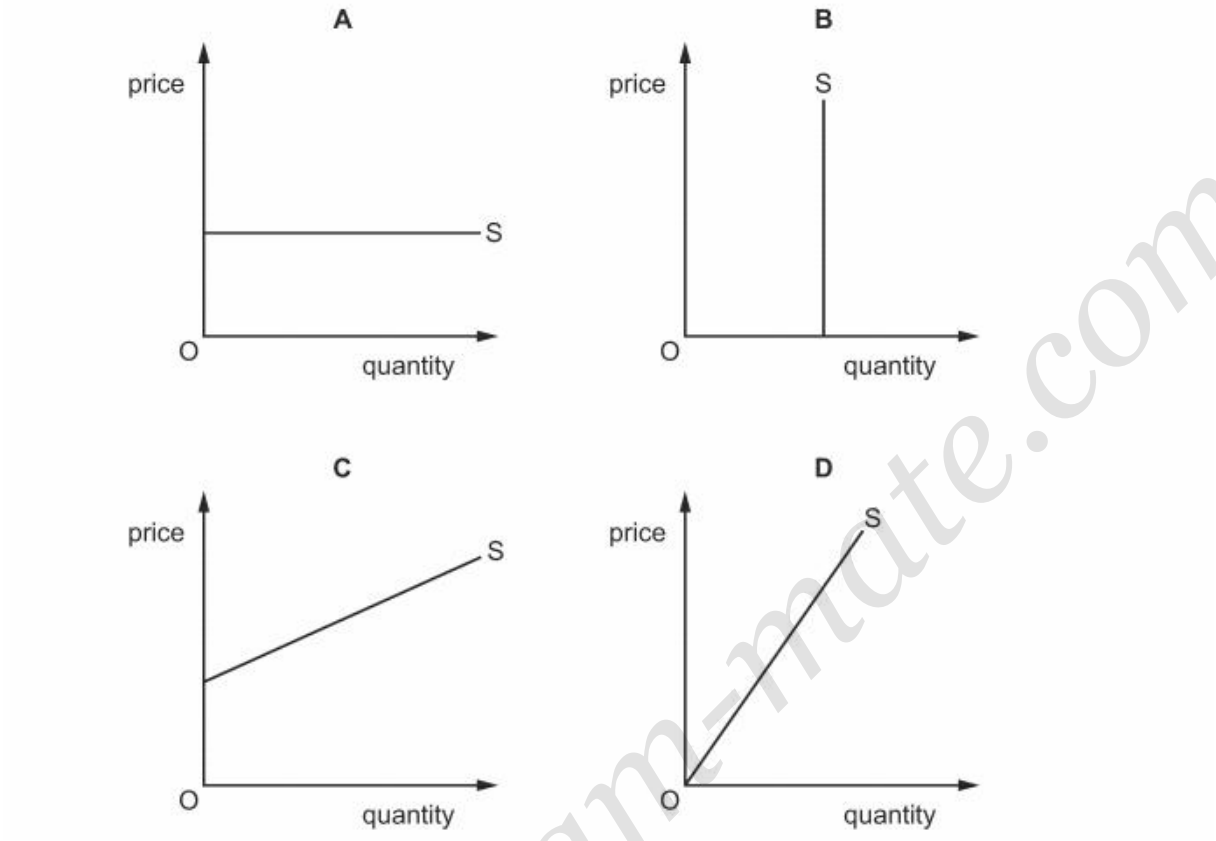
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123 – (9708/13_Summer_2019_Q12) – *The Price System And The Micro Economy*

The diagrams show the supply curves in four different markets.

In which market is the price elasticity of supply always equal to one?



124 – (9708/11_Summer_2019_Q13) – *The Price System And The Micro Economy*

The table shows the quantity of a product supplied at two different prices by four firms, A, B, C and D.

Which firm has a price elasticity of supply equal to 1 when the price falls from $10 to $8?

	price of product ($)	
	10	8
A	500	300
B	500	350
C	500	400
D	500	450

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125 – (9708/12_Summer_2019_Q13) – *The Price System And The Micro Economy*

Which combination of events is **most** likely to leave the demand curve for a normal good in the same position?

A a decrease in consumer incomes and an increase in the price of a substitute good

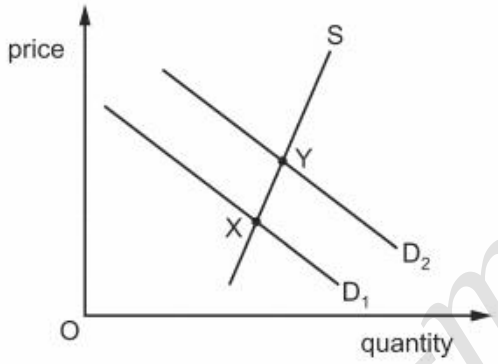
B a decrease in consumer incomes and an increase in the price of the good

C an increase in consumer incomes and an increase in the price of a substitute good

D an increase in consumer incomes and an increase in the price of the good

126 – (9708/13_Summer_2019_Q13) – *The Price System And The Micro Economy*

The diagram represents the market for electric cookers.



What is **most** likely to explain the change in the equilibrium from point X to point Y?

A a fall in the price of electric cookers

B an increase in a specific tax on electric cookers

C an increase in the number of households

D an increase in the price of electricity

127 – (9708/13_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention, The Price System And The Micro Economy*

Country X joins a customs union with country Y and will remove the tariff on its imports of good M from country Y.

Under which conditions will trade creation in country X be the smallest?

	existing size of country X's tariff on imports of good M	price elasticity of demand for good M in country X
A	large	–0.8
B	large	–1.4
C	small	–0.8
D	small	–1.4

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128 – (9708/11_Winter_2019_Q5) – *The Price System And The Micro Economy*

The table shows the market demand and supply for bananas over a year. At a market price of 8 cents per kg there is disequilibrium in the market.

price of bananas (cents per kg)	total market demand (million tonnes)	total market supply (million tonnes)
4	1000	150
6	800	300
8	600	450
10	400	600
12	200	750

What action would the government have to take to achieve market equilibrium at a price of 8 cents per kg?

A grant a subsidy of 2 cents per kg to producers

B impose a tax of 4 cents per kg on consumers

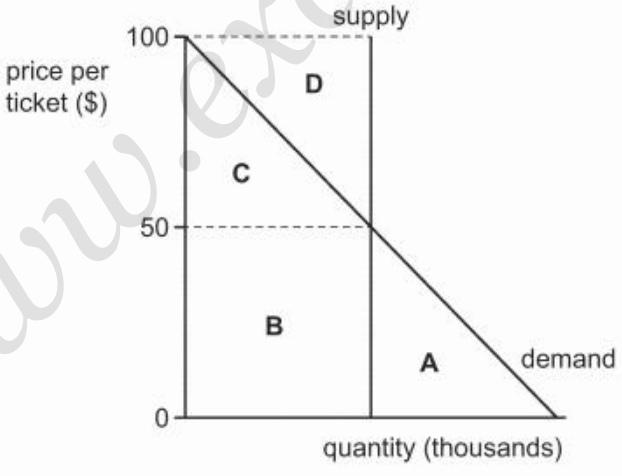
C purchase the entire supply at 8 cents and sell at 4 cents

D ration consumers to 75 kg each per year

129 – (9708/12_Winter_2019_Q5) – *The Price System And The Micro Economy*

The price of a ticket for an international athletics tournament was $50. All tickets were sold.

Which area on the diagram represents consumer surplus?

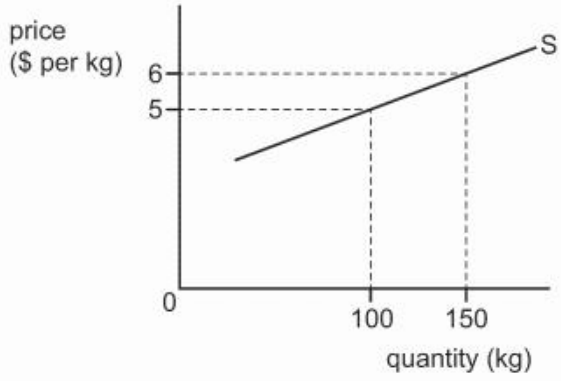


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130 – (9708/13_Winter_2019_Q5) – *The Price System And The Micro Economy*

The diagram shows the supply curve for bananas.



What is the price elasticity of supply when there is a rise in price from $5 to $6?

A –2.5 **B** +0.4 **C** +2 **D** +2.5

131 – (9708/11_Winter_2019_Q6) – *The Price System And The Micro Economy*

In calculating the short-run supply schedule for a firm, what is assumed to remain unchanged?

A the number of consumers

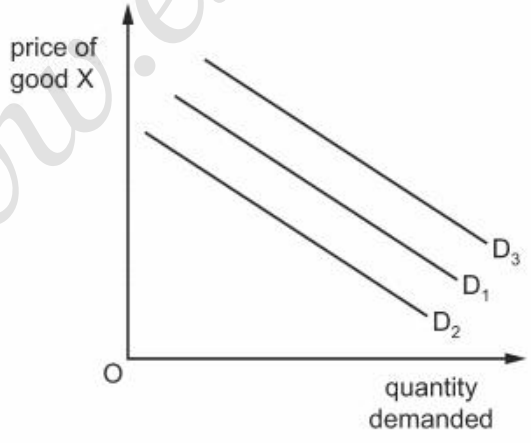
B the price of the good

C the quantity of raw material inputs

D the state of technology

132 – (9708/12_Winter_2019_Q6) – *The Price System And The Micro Economy*

Market demand curves normally slope downwards. They may also shift from D_1 to either D_2 or D_3.



What would cause a movement along D_1 for good X and **not** a shift to either D_2 or D_3?

A advertising of good X increases sales

B consumer incomes rise

C price of good X falls

D price of other goods falls

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133 – (9708/13_Winter_2019_Q6) – *The Price System And The Micro Economy*

What causes an inelastic market supply curve for an agricultural crop such as wheat?

A a government decision to import crops at times of shortage

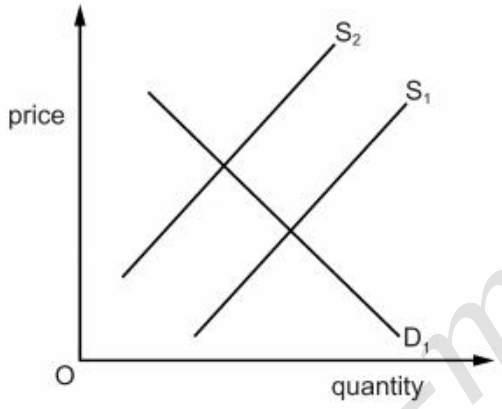
B an efficient use of fertilisers causing crop production to rise

C the storage of excess production for future sale

D the very long time required to produce additional output

134 – (9708/11_Winter_2019_Q7) – *The Price System And The Micro Economy*

The graph shows the demand and supply curves for an industry.



What would cause a shift in the supply curve from S_1 to S_2?

A an increase in the number of firms in the industry

B an increase in the number of workers employed

C an increase in the productivity of the workforce

D an increase in the wage rates paid to workers

135 – (9708/12_Winter_2019_Q7) – *The Price System And The Micro Economy*

What is **not** a function of the price mechanism?

A to act as a signal to firms when allocating resources

B to maximise consumer surplus

C to provide an incentive to firms to produce goods

D to ration scarce resources

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136 – (9708/13_Winter_2019_Q7) – *The Price System And The Micro Economy*

Travellers can cross the English Channel either by the Channel Tunnel or by a sea journey.

The table gives details of the passengers, in thousands, using these services between 2005 and 2015.

Between 2005 and 2015 the price of the Channel Tunnel fell and the price of sea journeys rose.

year	Channel Tunnel passengers	sea journey passengers
2005	17 005	23 693
2010	18 303	21 883
2015	20 864	21 000

What does the data suggest?

A The cross elasticity of demand between the two services is positive.

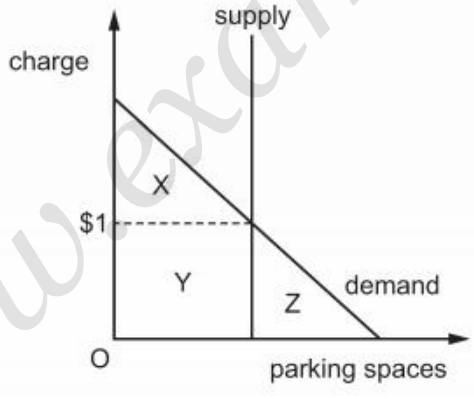
B The market for crossing the English Channel grew continuously over the period.

C The rate of decline in sea journeys accelerated over the period.

D The two services for crossing the English Channel are complementary.

137 – (9708/11_Winter_2019_Q8) – *The Price System And The Micro Economy*

The diagram shows the outcome when a landowner, who has allowed motorists to park on his field at no cost, introduces a parking charge of $1.



What is the loss of consumer surplus that results?

A X only **B** X + Y **C** Y only **D** Y + Z

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138 – (9708/12_Winter_2019_Q8) – *The Price System And The Micro Economy*

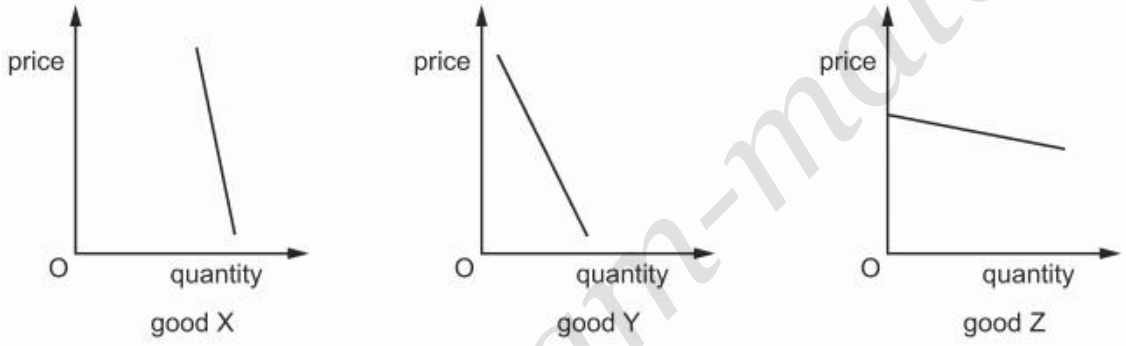
A government introduces a maximum price above the market price.

What will be the effect on consumer and producer surplus?

	consumer surplus	producer surplus
A	fall	rise
B	rise	fall
C	rise	unchanged
D	unchanged	unchanged

139 – (9708/13_Winter_2019_Q8) – *The Price System And The Micro Economy*

The diagrams represent the demand curves for three goods X, Y and Z. They are drawn to the same scale and can be used to represent the price elasticity of each good. The three goods are lamb only, all meat and all food.



Which combination of goods is likely to represent lamb only, all meat and all food?

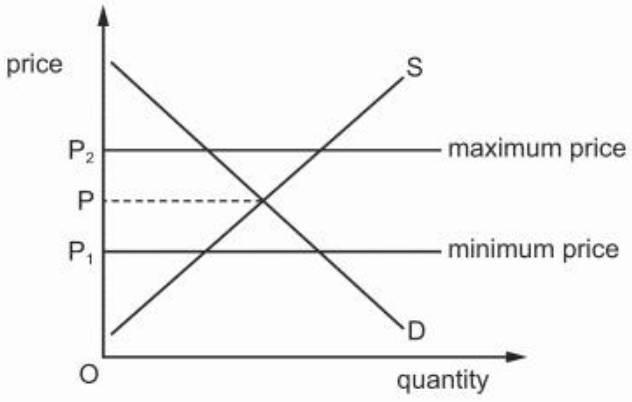
	good X	good Y	good Z
A	food	meat	lamb
B	lamb	meat	food
C	lamb	food	meat
D	meat	lamb	food

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140 – (9708/11_Winter_2019_Q9) – *The Price System And The Micro Economy*

The diagram shows the market for a good.



If the government imposes a minimum price at OP_1 and maximum price at OP_2 what would happen?

A The price will be unchanged at OP.

B The price will fall to OP_1.

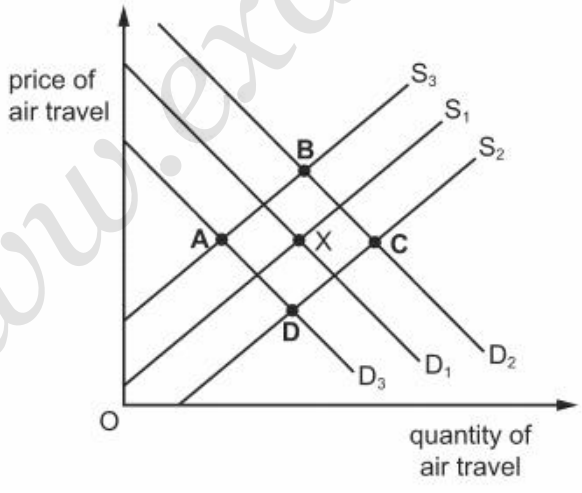
C The price will rise to OP_2.

D There will need to be rationing by the government.

141 – (9708/12_Winter_2019_Q9) – *The Price System And The Micro Economy*

The diagram shows the market for air travel in Asia. The initial market equilibrium is at X.

What will be the new equilibrium if the price of aviation fuel rises and incomes are falling in Asia?

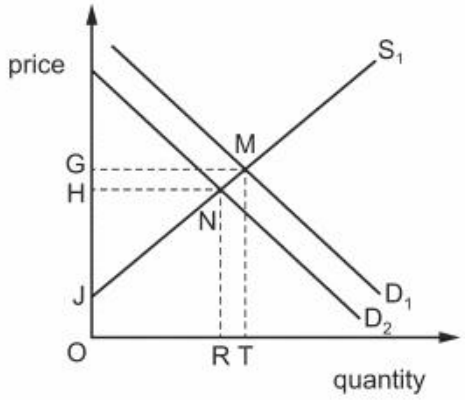


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142 – (9708/13_Winter_2019_Q9) – *The Price System And The Micro Economy*

The diagram shows the European market for diesel fuel and the original equilibrium is at M.



Europeans want low-emission cars and therefore the demand for diesel fuel has decreased from D_1 to D_2.

Which area represents the new producer surplus for companies supplying diesel fuel?

A GMNH **B** JGM **C** JHN **D** JNR

143 – (9708/11_Winter_2019_Q10) – *The Price System And The Micro Economy*

Two goods, X and Y, have a cross elasticity of demand of +1.8. Good Y has an income elasticity of demand of –0.6.

An increase in both the incomes of consumers and the price of good Y will have which combination of effects?

	quantity demanded of X	quantity demanded of Y
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

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144 – (9708/13_Winter_2019_Q10) – *The Price System And The Micro Economy*

A US study, published in July 2014, warned teenagers to reduce the amount of fizzy drink they consume. One can of fizzy drink contains an adult's entire daily sugar allowance.

If the advice were accepted, how might the effect be illustrated on demand and supply diagrams for fizzy drinks and for sugar?

	diagram for fizzy drinks	diagram for sugar
A	demand curve moves to the left	movement up the supply curve
B	demand curve moves to the left	movement down the supply curve
C	movement up the demand curve	supply curve moves to the right
D	movement up the demand curve	supply curve moves to the left

145 – (9708/11_Winter_2019_Q11) – *The Price System And The Micro Economy*

What is price elasticity of supply?

A the change in the quantity supplied when a price changes

B the change in the quantity supplied when demand changes

C the comparison of the proportionate change in supply to the proportionate change in demand

D the comparison of the proportionate change in supply to the proportionate change in price

146 – (9708/13_Winter_2019_Q11) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

A government decides to put a tax on a good.

Which price elasticity conditions would result in most of the tax being paid by the consumer?

	demand elasticity	supply elasticity
A	elastic	elastic
B	elastic	inelastic
C	inelastic	elastic
D	inelastic	inelastic

147 – (9708/11_Winter_2019_Q12) – *The Price System And The Micro Economy*

What does the assumption 'ceteris paribus' mean when economists analyse the way in which the quantity demanded of a good changes?

A Changes in quantity demanded can cause changes in any of the other variables.

B Consumer preferences are always assumed to remain unchanged.

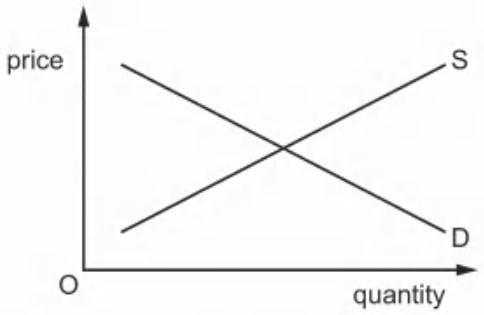
C Only one variable is assumed to change while the others remain the same.

D Several variables change simultaneously.

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148 – (9708/12_Winter_2019_Q12) – *The Price System And The Micro Economy*

The diagram shows the market for a normal good.



What is likely to cause both demand and supply curves to shift to the right?

A a fall in the price of the good and a fall in the rate of indirect tax on the good

B a rise in the price of a complementary good and an increase in the number of firms in the industry

C a rise in the price of a substitute good and a fall in the price of a raw material used in the production of the good

D an improvement in production techniques and a fall in the incomes of consumers

149 – (9708/11_Winter_2019_Q13) – *The Price System And The Micro Economy*

In which situation is the demand for a product said to be price elastic?

A A fall in price increases expenditure on the product.

B A fall in price increases quantity demanded.

C A rise in price increases expenditure on the product.

D A rise in price reduces quantity demanded.

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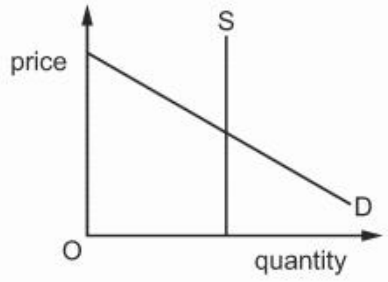
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150 – (9708/12_Winter_2019_Q13) – *The Price System And The Micro Economy*

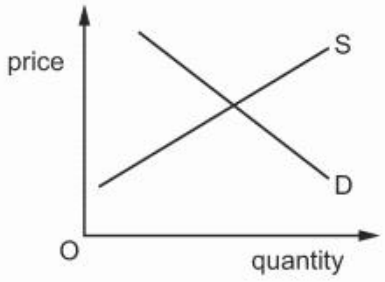
The diagrams relate to the markets for four different products.

In which market would a 10% decrease in demand and simultaneously a 10% increase in supply definitely result in both a fall in equilibrium price and a rise in equilibrium quantity?

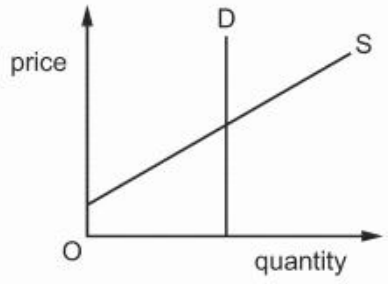
A



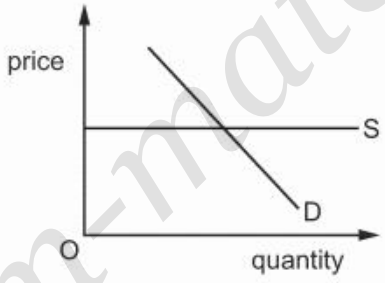
B



C

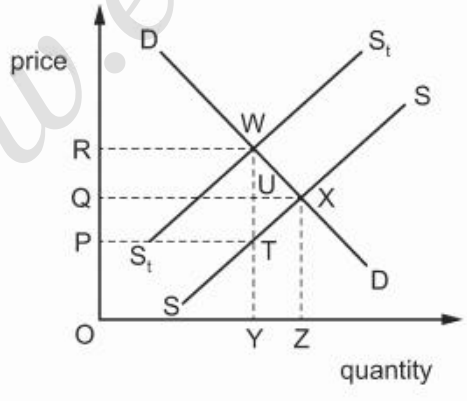


D



151 – (9708/13_Winter_2019_Q15) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

A specific tax is placed upon each bottle of perfume sold. In the diagram, SS is the supply curve before tax, S_tS_t is the supply curve after tax.



Which area represents that part of the tax revenue paid by producers?

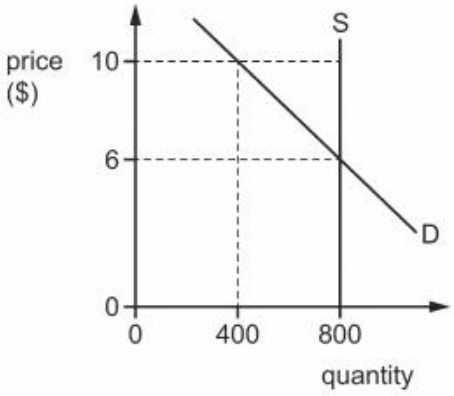
A ORWY **B** PQUT **C** PRWT **D** QRWU

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152 – (9708/12_Winter_2019_Q16) – *The Price System And The Micro Economy*

The diagram shows an initial market equilibrium for an agricultural product of $6 and 800 units.



How much will the government have to spend to increase the market price to $10?

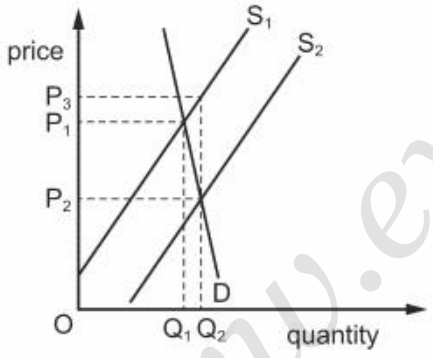
A $1600 **B** $2400 **C** $3200 **D** $4000

153 – (9708/13_Winter_2019_Q16) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

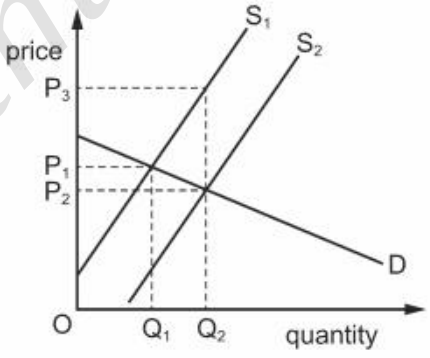
In each diagram the initial supply is S_1 and the new supply after subsidy is S_2. The subsidy is identical in each case.

Which diagram shows the greatest incidence of the subsidy on the consumers?

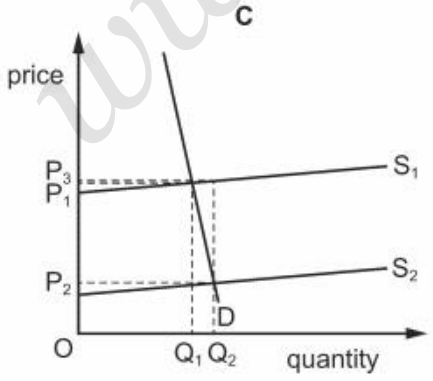
A



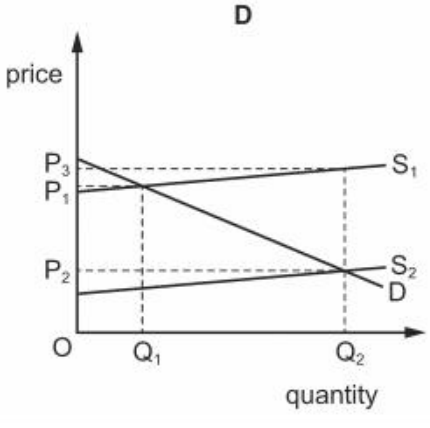
B



C



D



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154 – (9708/11_Winter_2019_Q18) – *The Price System And The Micro Economy*

Which is the **most** appropriate reason for the continued government ownership of a natural monopoly?

A The government will guarantee competitive behaviour.

B The government will ignore any losses made by the monopoly.

C The government will maximise profits.

D The government will take account of external benefits.

155 – (9708/12_Winter_2019_Q18) – *The Price System And The Micro Economy*

A subsidy is given to the producers of a good with perfectly elastic demand.

What will be the outcome?

A Consumer and producer receive equal amounts of subsidy.

B There will be no change in price; the incidence of the subsidy will fall on the producer.

C There will be a large increase in quantity consumed; the incidence of the subsidy will fall on the consumer.

D There will be no change in the quantity consumed; the incidence of the subsidy will fall on the consumer.

156 – (9708/11_Summer_2020_Q5) – *The Price System And The Micro Economy*

What describes a market supply curve?

A It is downward sloping.

B It is the same as the aggregate supply curve.

C It is the sum of all firms' supply curves for a product.

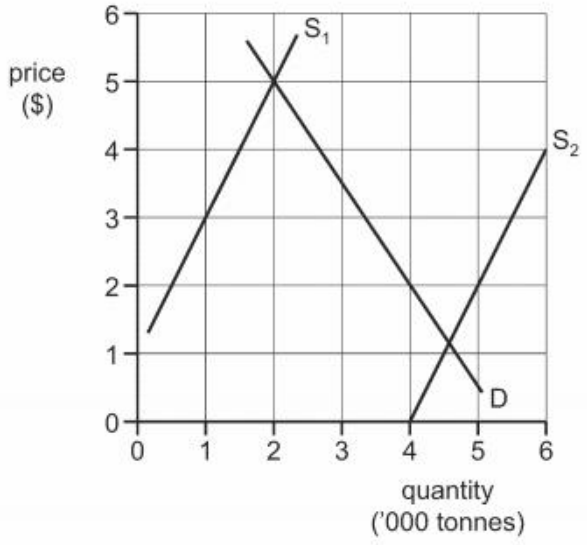
D It is the supply of all products within an economy.

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157 – (9708/12_Summer_2020_Q5) – *The Price System And The Micro Economy*

In the diagram, D is the demand curve for an agricultural commodity and S_1 is the initial supply curve. A good harvest causes the supply curve to shift to S_2.



By how much will the demand curve have to shift to leave farm incomes unchanged?

A 500 tonnes at all prices

B 1000 tonnes at all prices

C 2000 tonnes at all prices

D 4000 tonnes at all prices

158 – (9708/13_Summer_2020_Q5) – *The Price System And The Micro Economy*

In a free market there is a surplus of a good.

Which change would cause the market to come to an equilibrium?

A a decrease in demand

B a fall in price

C a government minimum price

D an increase in supply

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159 – (9708/12_Summer_2020_Q6) – *The Price System And The Micro Economy*

A manufacturer progressively reduces the price of his product.

The table shows the outcome of this policy.

price ($)	total revenue 000s ($)
10	750
9	750
8	750

What is the price elasticity of demand for the product?

A perfectly inelastic

B relatively inelastic

C perfectly elastic

D unitary

160 – (9708/13_Summer_2020_Q6) – *The Price System And The Micro Economy*

What is **most** likely to increase the quantity of houses supplied?

A a policy to help house buyers on modest incomes

B a restriction on the level of rent that can be charged

C a rise in the tax on materials used for building houses

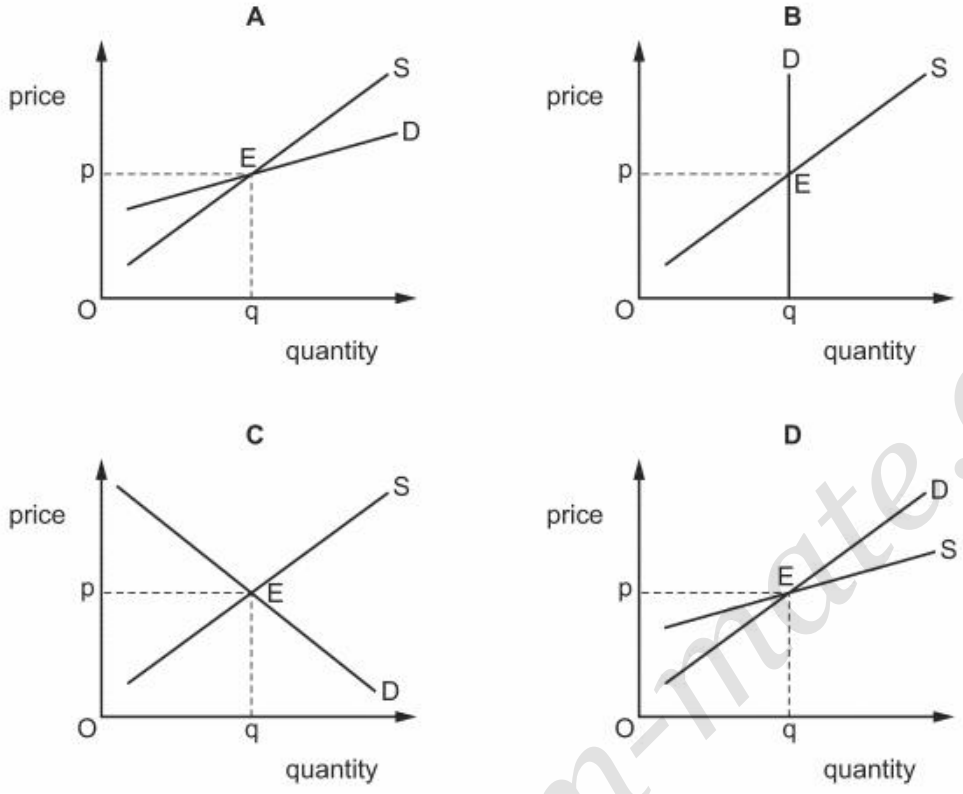
D the removal of a subsidy to house builders

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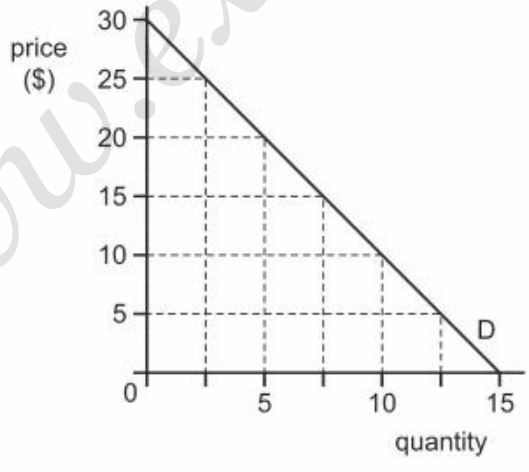
161 – (9708/11_Summer_2020_Q7) – *The Price System And The Micro Economy*

In which market would equilibrium **not** be achieved at point E if price were above Op?



162 – (9708/12_Summer_2020_Q7) – *The Price System And The Micro Economy*

The diagram shows a consumer's demand curve for a product.



How does consumer surplus change as the price of the product rises?

A It falls at a constant rate (%) with each $5 rise.

B It falls by a constant amount with each $5 rise.

C It falls by a decreasing amount with each $5 rise.

D It falls by an increasing amount with each $5 rise.

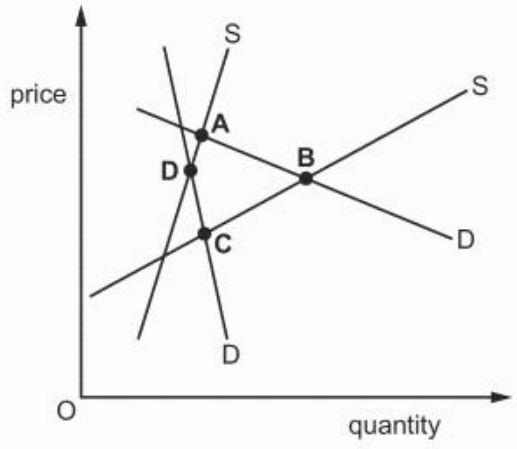
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163 – (9708/13_Summer_2020_Q7) – *The Price System And The Micro Economy*

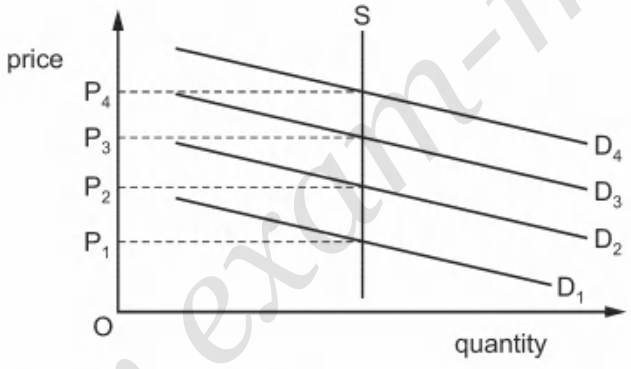
The diagram shows two demand curves and two supply curves for a product.

Which equilibrium point is most likely to represent the long-run equilibrium in the market?



164 – (9708/11_Summer_2020_Q8) – *The Price System And The Micro Economy*

In the diagram, the supply curve shows the number of spaces in a car park and the demand curves show the demand for spaces on four different days (D_1, D_2, D_3 and D_4).



The owner wishes to charge a parking fee on each of these days to allocate the spaces according to the market mechanism.

Which pricing policy should the owner use?

A set a fixed price at P_1

B set a fixed price at P_4

C vary prices between P_2 and P_3

D vary prices between P_1 and P_4

165 – (9708/12_Summer_2020_Q8) – *The Price System And The Micro Economy*

Following the introduction of a 10% increase in charges for car parking in a city centre, the demand for bus journeys per day into the city rose from 800 to 1000.

What was the cross elasticity of demand for bus journeys with respect to car parking charges?

A –0.4 **B** +0.4 **C** +2.0 **D** +2.5

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166 – (9708/13_Summer_2020_Q8) – *The Price System And The Micro Economy*

The equilibrium price of a product is $10. The government introduces an effective minimum price of $12 for the product.

Under which condition will the value of the producer surplus increase the most?

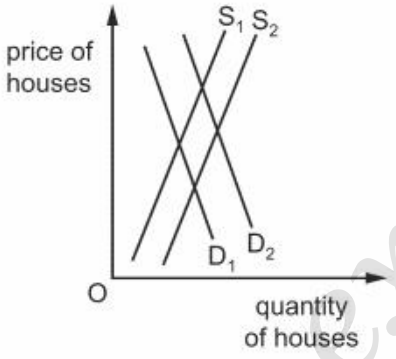
	price elasticity of demand
A	0
B	between 0 and 1
C	1
D	greater than 1

167 – (9708/12_Summer_2020_Q9) – *The Price System And The Micro Economy*

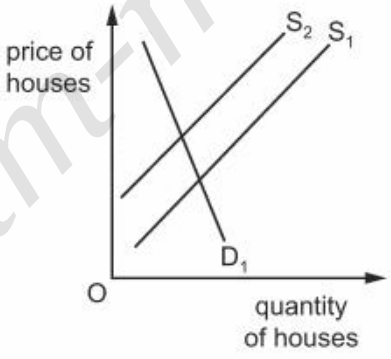
An economy is suffering from a housing shortage. The demand for housing continues to rise as real incomes increase and more construction firms enter the market to build more houses.

Which diagram represents this situation?

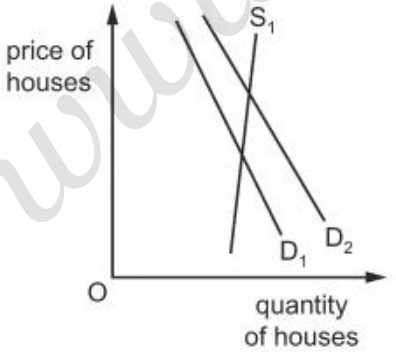
A



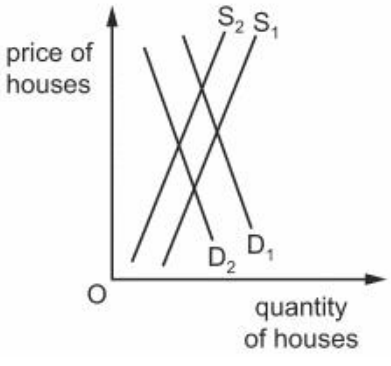
B



C



D



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168 – (9708/13_Summer_2020_Q9) – *The Price System And The Micro Economy*

Diesel engines are a major cause of air pollution in cities. A city authority placed a charge on diesel taxis entering the city.

What would be the **most** likely effects on the demand and supply of taxi journeys into the city?

	demand for taxi journeys	supply of taxi journeys
A	fall	fall
B	fall	remain unchanged
C	remain unchanged	fall
D	rise	fall

169 – (9708/11_Summer_2020_Q10) – *The Price System And The Micro Economy*

How might a firm raise the value of the price elasticity of supply for its product?

A decrease the amount of labour that it employs

B employ new technology to increase its productive capacity

C increase advertising expenditure to generate more revenue

D reduce the level of stocks in order to cut costs

170 – (9708/12_Summer_2020_Q10) – *The Price System And The Micro Economy*

A good has a price elasticity of supply of 2.0. The current quantity supplied is 300 units per week at a market price of $20 per unit. The firm raises the price to $25 per unit.

What will the new quantity supplied be per week?

A 150 units

B 375 units

C 400 units

D 450 units

171 – (9708/11_Summer_2020_Q11) – *The Price System And The Micro Economy*

Shoe manufacturers often use leather to make their most expensive shoes. Due to a world shortage of leather, the price of leather has risen.

What will be the effect of this price change?

A The demand curve for leather shoes will shift to the left.

B The demand curve for a substitute for leather shoes will shift to the right.

C The supply curve for leather shoes will shift to the right.

D The supply curve for a substitute for leather to make expensive shoes will shift to the right.

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172 – (9708/12_Summer_2020_Q11) – *The Price System And The Micro Economy*

What is a major function of the price mechanism?

A providing incentive for government intervention to reduce income inequality

B removing shortages by creating incentives for market prices to fall

C removing surpluses by creating incentives for market prices to rise

D signalling changes in market conditions to producers and consumers

173 – (9708/13_Summer_2020_Q11) – *The Price System And The Micro Economy*

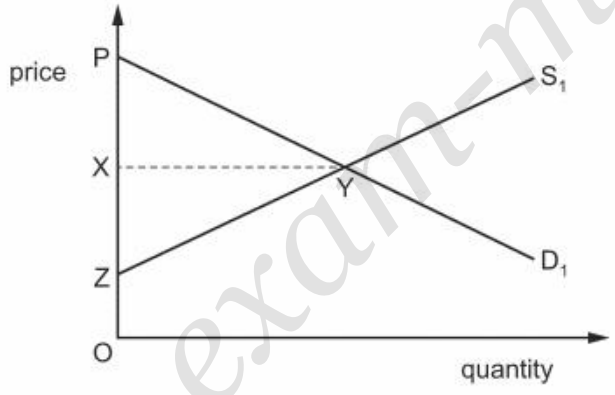
The supply (S) of a product is determined by the equation S = 10 + 10P when P is the price of the product in $.

What is the product's price elasticity of supply when its price rises from $1 to $2?

A 0.5 **B** 1.0 **C** 2.0 **D** 5.0

174 – (9708/11_Summer_2020_Q12) – *The Price System And The Micro Economy*

The diagram represents the market for a good.



Which statement is correct?

A OX represents the price above which no producer wishes to stay in the market.

B OZ represents the minimum price consumers are prepared to pay.

C PYZ represents the total consumer surplus.

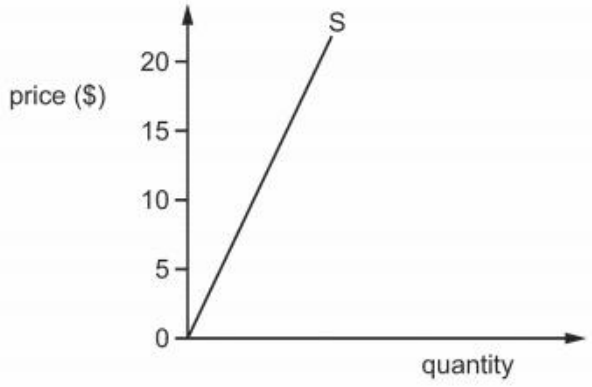
D XYZ represents the total producer surplus.

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175 – (9708/12_Summer_2020_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The diagram shows the supply curve of a product.



The government imposes a specific indirect tax of $5 on the product.

How will the price elasticity of supply of the product change?

A from elastic (>1) to inelastic (<1)

B from inelastic (<1) to elastic (>1)

C from inelastic (<1) to unitary (=1)

D from unitary (=1) to elastic (>1)

176 – (9708/13_Summer_2020_Q12) – *The Price System And The Micro Economy*

The table gives estimates of the price elasticities and cross elasticities of demand for bus and rail travel.

service	elasticity with respect to the price of	
	bus travel	rail travel
bus travel	–0.37	+0.13
rail travel	+0.16	–0.43

What would be the change in the volume of rail travel resulting from a 1% increase in bus fares?

A a decrease of 0.13%

B a decrease of 0.37%

C an increase of 0.16%

D an increase of 0.43%

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177 – (9708/11_Summer_2020_Q13) – *The Price System And The Micro Economy*

The economics department of a university calculates that the price elasticity of demand for the products of a local firm is between –1.1 and –1.3.

Which decision could be justified by the research?

A Increase prices to increase profit.

B Invest in more capital to increase output.

C Reduce advertising to reduce costs.

D Reduce prices to increase revenue.

178 – (9708/12_Summer_2020_Q13) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

In the market for a good the quantity supplied (Q_S) and the quantity demanded (Q_D) are given by $Q_S = P – 30$ and $Q_D = 240 – 2P$ where P = price in dollars.

A change in the tax on the good makes $Q_S = P – 36$.

How will the change affect equilibrium price?

A It will fall by $2.

B It will fall by $6.

C It will rise by $2.

D It will rise by $6.

179 – (9708/13_Summer_2020_Q13) – *The Price System And The Micro Economy*

Which combination is most likely to result in the demand for a product being highly price-elastic?

	number of close substitutes	% of income spent on product
A	large	large
B	large	small
C	small	large
D	small	small

180 – (9708/11_Winter_2020_Q5) – *The Price System And The Micro Economy*

Good X is a substitute for good Y and a complement to good Z.

What would happen after a fall in the price of good X?

A Only the demand for X will rise.

B Demand for X, Y and Z will rise.

C Demand for Y will fall and for Z will rise.

D Demand for Y will rise and for Z will fall.

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181 – (9708/12_Winter_2020_Q5) – *The Price System And The Micro Economy*

In the UK, attempts to encourage people to change from road to rail travel by the introduction of a system of road pricing were forecast to have little effect because 'people like using their cars too much'.

How would this forecast be explained?

A The price elasticity of demand for cars is high.

B The price elasticity of demand for petrol is high.

C The price elasticity of demand for rail travel is low.

D The price elasticity of demand for car travel is low.

182 – (9708/13_Winter_2020_Q5) – *The Price System And The Micro Economy*

A product has a downward-sloping demand curve and an upward-sloping supply curve.

What would explain a rise in the price of the product and a fall in the quantity of the product sold?

A The decrease in demand is double the decrease in supply.

B The decrease in supply is double the decrease in demand.

C The increase in demand is double the increase in supply.

D The increase in supply is double the increase in demand.

183 – (9708/11_Winter_2020_Q6) – *The Price System And The Micro Economy*

The table shows how an individual's weekly consumption of biscuits and coffee varies with income.

income ($)	biscuits (packs)	coffee (cups)
100	0	5
150	5	10

Which statement about the income elasticity of demand over the range of income shown is true?

A For biscuits it is greater than 1.

B For biscuits it is zero.

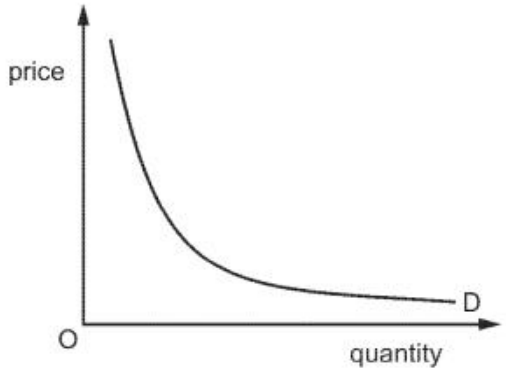
C For coffee it is less than 1.

D For coffee it is unitary.

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184 – (9708/12_Winter_2020_Q6) – *The Price System And The Micro Economy*

The diagram shows the demand curve for a product with unitary price elasticity.



What will happen with such a curve?

A A fall in price will bring about an increase in total expenditure on the product.

B A fall in price will bring about an increase in sales but a fall in total expenditure on the product.

C As the price rises, total expenditure on the product will stay the same.

D As the price rises, total expenditure on the product will rise and then fall.

185 – (9708/13_Winter_2020_Q6) – *The Price System And The Micro Economy*

Public transport in an economy has an income elasticity of demand of –0.36.

What does this mean about public transport?

A It has close substitutes.

B It is a necessity.

C It is a normal good.

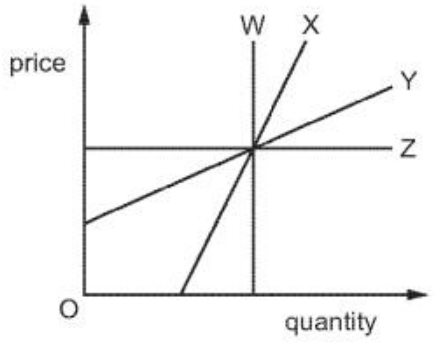
D It is an inferior good.

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186 – (9708/11_Winter_2020_Q7) – *The Price System And The Micro Economy*

The diagram shows four supply curves.



Which statement about the price elasticity of these supply curves is correct?

A W has elasticity of 0 that will rise as price rises.

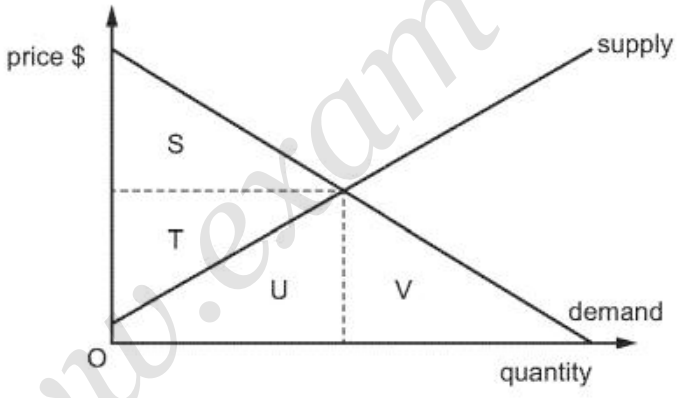
B X has elasticity greater than 1 that will be constant as price rises.

C Y has elasticity greater than 1 that will fall as price rises.

D Z has elasticity of 0 that is constant as quantity rises.

187 – (9708/12_Winter_2020_Q7) – *The Price System And The Micro Economy*

The diagram shows the market supply and demand for a good.



Which area represents producer surplus?

A S + T **B** T **C** U **D** U + V

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188 – (9708/13_Winter_2020_Q7) – *The Price System And The Micro Economy*

The quantity demanded of a product is given by $Q_D = 400 - 10P$, when P is the price in dollars. Supply of the product is fixed at 100 units.

If the price is $20, what will be the position in the market?

A It will be in disequilibrium with excess demand of 100 units.

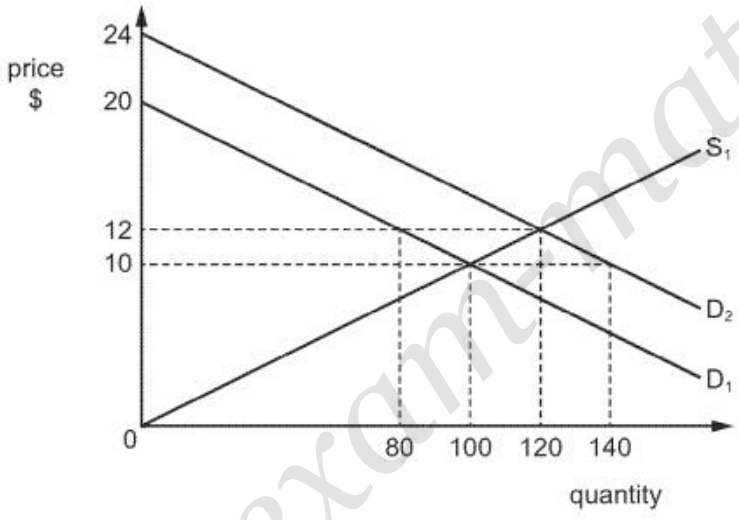
B It will be in disequilibrium with excess supply of 100 units.

C It will be in equilibrium with 100 units traded.

D It will be in equilibrium with 200 units traded.

189 – (9708/11_Winter_2020_Q8) – *The Price System And The Micro Economy*

The diagram shows the market for a good with an initial equilibrium price of $10. The demand for the good increases by 40 units at every price causing the equilibrium price to rise to $12.



What is the value of the producer surplus after the price increase?

A $500 **B** $720 **C** $1000 **D** $1440

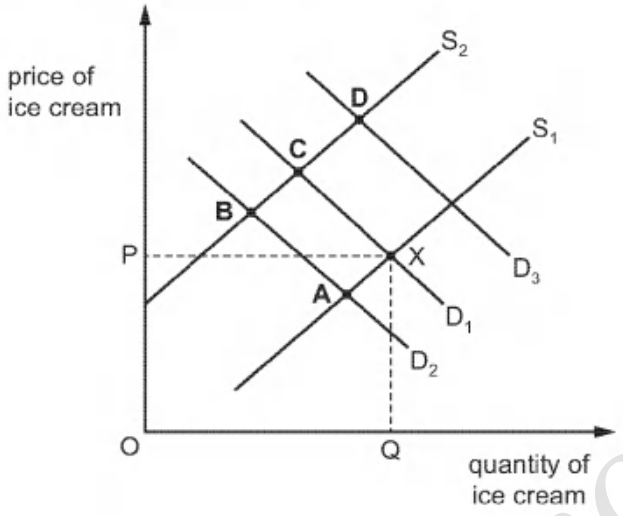
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190 – (9708/12_Winter_2020_Q8) – *The Price System And The Micro Economy*

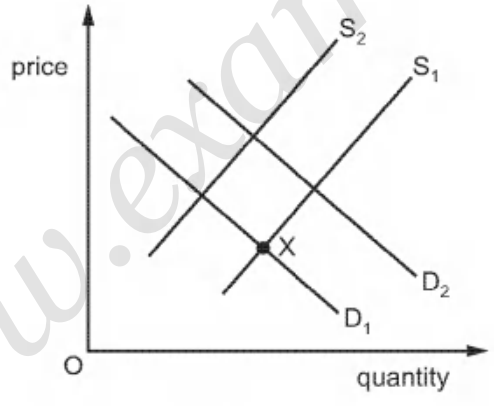
Vanilla is an important ingredient in the production of ice cream. Between 2011 and 2018 the price of vanilla increased from about US$100 per kg to nearly US$600 per kg. The diagram shows the market demand for and supply of ice cream. The original equilibrium is X.

Which point illustrates the effect of this price rise on the market for ice cream?



191 – (9708/13_Winter_2020_Q8) – *The Price System And The Micro Economy*

D_1 and S_1 are the initial demand and supply curves in the market for new cars with an equilibrium at X.



What will cause the demand curve to shift to D_2 and the supply curve to shift to S_2?

A a decrease in real incomes and a rise in the costs of new car production

B a decrease in the price of petrol and a subsidy on new car production

C an increase in the availability of loans for new car purchases and a specific tax on new cars

D an increase in the price of train travel and an increase in the number of car producers

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192 – (9708/11_Winter_2020_Q9) – *The Price System And The Micro Economy*

The equation for the quantity demanded (Q_D) for a product is $Q_D = 400 – 20P$ where P = price in dollars. The quantity supplied (Q_S) is given by $Q_S = 100 + 40P$.

What change will occur if the price rises from $5 to $6?

A the market will move from equilibrium to shortage

B the market will move from equilibrium to surplus

C the market will move from shortage to surplus

D the market will move from surplus to shortage

193 – (9708/12_Winter_2020_Q9) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

A government reduces income tax but at the same time raises the rate of sales tax (VAT).

What are the likely effects on the demand and supply of a normal good?

	demand	supply
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

194 – (9708/13_Winter_2020_Q9) – *The Price System And The Micro Economy*

A good has a unitary price elasticity of demand and at a price of $20 a firm sells 40 000 units.

How many units will the firm sell if it charges a price of $5?

A 10 000 **B** 100 000 **C** 160 000 **D** 200 000

195 – (9708/12_Winter_2020_Q10) – *The Price System And The Micro Economy*

An increase in the popularity of air conditioning units has resulted in their price increasing by 20%. In response to this the quantity supplied increased by 30%.

What can be concluded from this?

A price elasticity of supply = 0

B price elasticity of supply < 1

C price elasticity of supply = 1

D price elasticity of supply > 1

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196 – (9708/13_Winter_2020_Q10) – *The Price System And The Micro Economy*

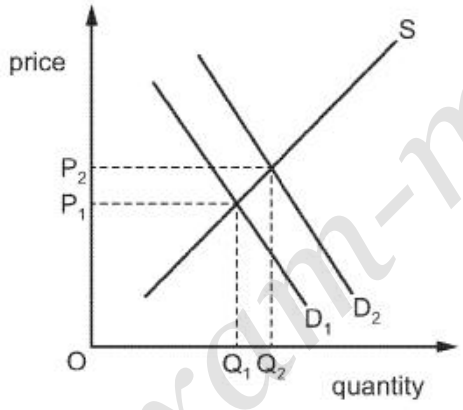
A bus journey is considered an inferior good in a relatively rich country such as Singapore but a normal good in a relatively poor country such as Tanzania.

In which direction would an increase in incomes in both countries cause the demand curve for bus journeys in Singapore and Tanzania to shift?

	Singapore	Tanzania
A	left	left
B	left	right
C	right	left
D	right	right

197 – (9708/11_Winter_2020_Q11) – *The Price System And The Micro Economy*

What would cause the demand curve for vegetables to shift from D_1 to D_2 as shown?



A a change in supply from Q_1 to Q_2

B a poor harvest due to unfavourable weather

C a price change from P_1 to P_2

D an increase in real incomes

198 – (9708/12_Winter_2020_Q11) – *The Price System And The Micro Economy*

Which change does **not** have an immediate effect on the position of the demand curve for a product?

A a fall in the price of a complementary product

B a range of new products entering the market

C a rise in the labour costs of its production

D an increase in the price of a substitute product

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199 – (9708/13_Winter_2020_Q11) – *The Price System And The Micro Economy*

The quantity of a good supplied by a firm is Q. Each of these goods sells for a price of P. The area under the supply curve for Q goods is equal to C.

What is the producer surplus of the firm?

A $P - C$ **B** $P \times Q$ **C** $(P \times Q) - C$ **D** $(P - C) \times Q$

200 – (9708/11_Winter_2020_Q12) – *The Price System And The Micro Economy*

The demand curve for new cars in a country shifted to the left.

Which change could have caused such a shift?

A an increase in real disposable income

B an increase in the cost of borrowing

C an increase in the price of new cars

D an increase in the price of train travel

201 – (9708/12_Winter_2020_Q12) – *The Price System And The Micro Economy*

When demand for a good falls, its price falls.

What is the function of the price fall?

A to eliminate shortages

B to reduce consumer surplus

C to send a signal to producers

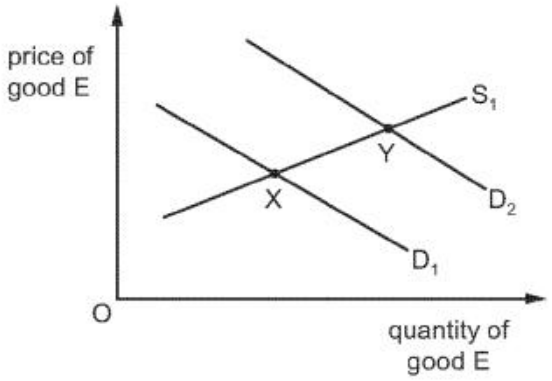
D to stimulate a further fall in demand

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202 – (9708/13_Winter_2020_Q12) – *The Price System And The Micro Economy*

The diagram shows the market demand for and supply of good E.



The equilibrium has changed from X to Y.

Which statement is **not** correct?

A Incomes of consumers may have increased and good E is a normal good.

B The quantity supplied has risen because price has increased.

C The quantity supplied has risen because the production of good E has been subsidised.

D The price of good F, which is a substitute for good E, may have risen.

203 – (9708/11_Winter_2020_Q13) – *The Price System And The Micro Economy*

What is correct about market supply?

A Market supply can increase only when all individual firms increase their output.

B Market supply is effective when consumers have sufficient income to buy the good.

C Market supply is the result of aggregating the supply of all individual firms.

D Market supply of an inferior good falls as price increases.

204 – (9708/12_Winter_2020_Q13) – *The Price System And The Micro Economy*

A firm estimates that the price elasticity of supply of its product is 0.4.

Should the firm be concerned by this figure?

A No, as it implies that the firm will be able to raise revenue by raising price.

B No, as it suggests there are few substitutes for the product.

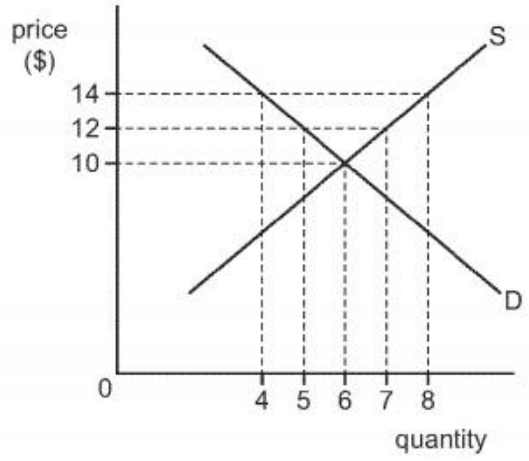
C Yes, as it means that demand for its product is increasing at a slow rate.

D Yes, as it shows that the firm is not able to adjust supply easily when demand changes.

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205 – (9708/13_Winter_2020_Q13) – *The Price System And The Micro Economy*

The diagram shows the market for CDs.



A government raises the minimum price of CDs from $12 to $14.

What will be the outcome?

A Excess demand increases by 2 units.

B Excess demand increases by 4 units.

C Excess supply decreases by 2 units.

D Excess supply increases by 2 units.

206 – (9708/13_Winter_2020_Q14) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

A government regards alcoholic drinks as a demerit good and introduces a minimum price above the equilibrium in an attempt to protect consumers. Demand for alcoholic drinks is price inelastic.

What is the most likely outcome?

A a fall in the revenue of alcoholic drink producers

B a fall in the quantity of alcoholic drink sales

C a long-run shortage of alcoholic drinks

D an increase in specific tax revenue from the sale of alcoholic drinks

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207 – (9708/12_Winter_2020_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The market for good X is in equilibrium. The government introduces a subsidy to the producers of good X.

Under which conditions will the total expenditure by the government on the subsidy be the greatest?

	price elasticity of demand for good X	price elasticity of supply for good X
A	<1	<1
B	<1	>1
C	>1	<1
D	>1	>1

208 – (9708/12_Winter_2020_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

A country has a balance of payments deficit. It devalues its currency.

Which combination leads to a reduction in its balance of payments deficit in the long run?

	price elasticity of demand for exports	price elasticity of demand for imports
A	less than 0.5	less than 0.5
B	less than 1	zero (0)
C	more than 0.5	more than 0.5
D	zero (0)	less than 1

209 – (9708/12_Summer_2021_Q5) – *The Price System And The Micro Economy*

Which statement about price elasticity of supply is correct?

A It cannot change in the short run.

B It increases as the time period lengthens.

C It is infinite in the momentary time period.

D It is zero in the long run.

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210 – (9708/13_Summer_2021_Q5) – *The Price System And The Micro Economy*

When stating the law of demand for a good, economists use the phrase 'all other things being equal'.

What is **not** one of these 'all other things'?

A the income of the consumer

B the price of other goods

C the price of the good

D the tastes of the consumer

211 – (9708/12_Summer_2021_Q6) – *The Price System And The Micro Economy*

The price elasticity of demand for a firm's product is equal to one for all price changes.

What would be the result of this?

A A percentage increase in price will cause demand to fall by a larger percentage.

B A percentage increase in price will cause demand to increase by the same percentage.

C Quantity demanded will always be the same whatever the price.

D The firm's revenue will always be the same whatever the price.

212 – (9708/13_Summer_2021_Q6) – *The Price System And The Micro Economy*

What will **not** cause a shift in the market supply curve of a commodity?

A a change in technology

B a rise in the price of a factor input

C a rise in the price of the commodity

D the introduction of a specific tax on the commodity

213 – (9708/12_Summer_2021_Q7) – *The Price System And The Micro Economy*

What leads to a downward shift of a normal supply curve?

A a rise in the cost of transporting goods

B a rise in the productivity of the labour force

C a rise in the rate of sales tax on the good

D a rise in the wage rate paid to workers

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214 – (9708/13_Summer_2021_Q7) – *The Price System And The Micro Economy*

A product has a low price elasticity of supply.

What might explain this?

A The product has a low opportunity cost.

B The product is highly perishable.

C The product is classed as an inferior good.

D The product is considered to be a necessity.

215 – (9708/12_Summer_2021_Q8) – *The Price System And The Micro Economy*

A market is in equilibrium with 100 units of the product sold at a price of US$10 each. The price elasticity of supply for the product is +2.0 and the price elasticity of demand is –1.0.

What will be the state of the market if a minimum price of US$11 is imposed?

A an excess demand of 10 units

B an excess demand of 30 units

C an excess supply of 20 units

D an excess supply of 30 units

216 – (9708/13_Summer_2021_Q8) – *The Price System And The Micro Economy*

A car manufacturer estimates that the price elasticity of supply of its cars is +2.5.

What will be the impact of a 10% increase in price?

A a 2.5% fall in total revenue

B a 25% rise in total revenue

C a 2.5% fall in quantity supplied

D a 25% rise in quantity supplied

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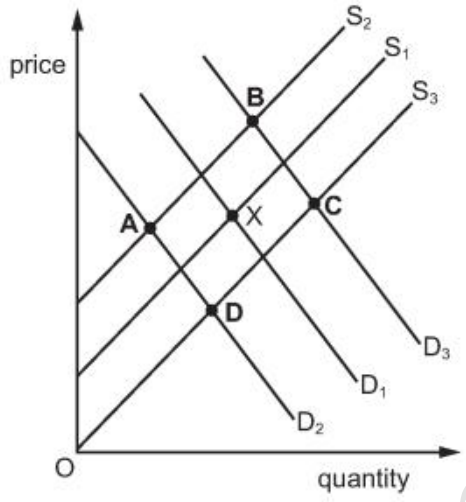
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217 – (9708/12_Summer_2021_Q9) – *The Price System And The Micro Economy*

The diagram shows the market for meat in equilibrium at X.

The cost of producing meat rises and there is a trend for consumers to change from meat to a vegan (non-animal) diet.

What is the new market equilibrium?

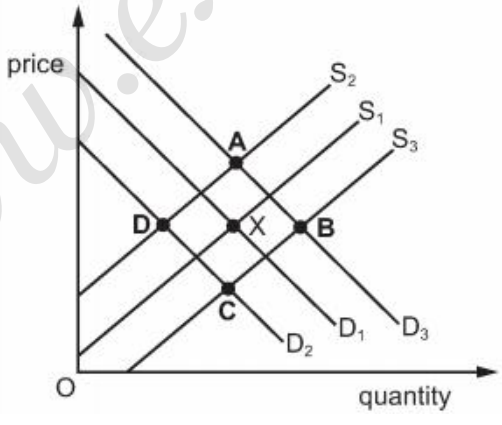


218 – (9708/13_Summer_2021_Q9) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The diagram shows the original demand curve D_1 and supply curve S_1 for diesel cars in Europe. Point X is the initial equilibrium.

There is a successful advertising campaign by electric car producers and a new unit tax on diesel cars.

What will be the new equilibrium?



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219 – (9708/12_Summer_2021_Q10) – *The Price System And The Micro Economy*

Goods X and Y are complements.

What will be the effect on the equilibrium price and quantity of good X of an increase in the supply of good Y?

	equilibrium price of X	equilibrium quantity of X
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

220 – (9708/12_Summer_2021_Q11) – *The Price System And The Micro Economy*

A private company achieves a producer surplus at the market equilibrium price.

What might reduce the size of the private company's producer surplus?

A Private companies choose to prioritise profits over customer needs.

B Private companies start to pay dividends out of profits.

C The government fixes the price of electricity below the market price.

D The private company supply curve becomes more elastic.

221 – (9708/13_Summer_2021_Q11) – *The Price System And The Micro Economy*

A country's central bank has commissioned a report on the demand for and price of houses.

What might be the **most** likely combination of reasons for an increase in the price and quantity demanded of houses?

	incomes	interest rates	wages of bricklayers
A	down	unchanged	up
B	down	up	unchanged
C	unchanged	up	down
D	up	down	unchanged

222 – (9708/12_Summer_2021_Q12) – *The Price System And The Micro Economy*

How would an economist establish the market demand curve for a private good?

A by adding consumer surplus to total expenditure

B by combining individual demand curves horizontally

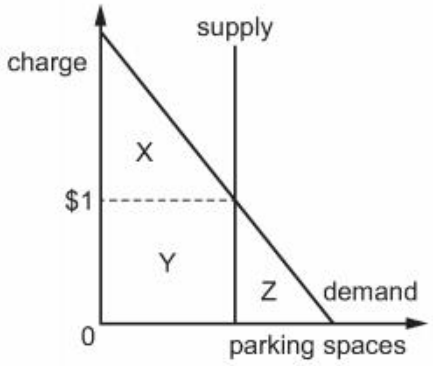
C by combining the price elasticity of individual demands

D by multiplying price by quantity demanded

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223 – (9708/13_Summer_2021_Q12) – *The Price System And The Micro Economy*

The diagram shows the outcome when a landowner, who had allowed motorists to park on his field at no cost, introduces a parking charge of $1.



What happens as a result of the change?

A The landowner gains a surplus of Y + Z.

B The motorist gains a surplus of X + Y.

C The ownership of surplus Y changes.

D There is a total surplus of X + Y + Z.

224 – (9708/12_Summer_2021_Q13) – *The Price System And The Micro Economy*

Knowledge of which combination of demand elasticities would be relevant to a firm trying to increase its revenue?

	price elasticity of demand	cross elasticity of demand	income elasticity of demand
A	✓	✓	✓
B	✓	✓	✗
C	✓	✗	✓
D	✗	✓	✓

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225 – (9708/13_Summer_2021_Q13) – *The Price System And The Micro Economy*

The table gives information about the market for two models of car.

model	number of cars sold per week	cross elasticity of demand with respect to the price of petrol
1200 cc	10 000	–0.25
2000 cc	5 000	–0.50

If the prices of the cars remain unchanged, but the price of petrol increases by 100%, what will be the effect on the number of cars sold per week?

A increase by 5000

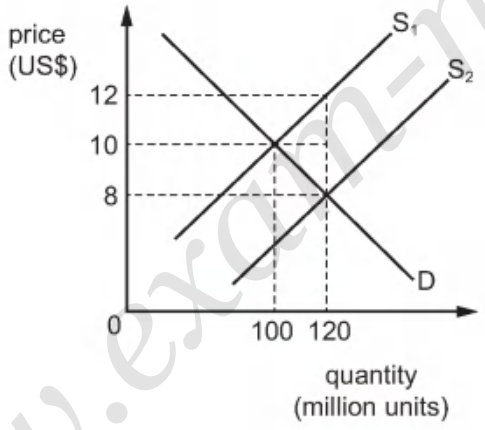
B no change

C decrease by 5000

D decrease by 15 000

226 – (9708/12_Summer_2021_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

The diagram shows the effect of the government introducing a subsidy on a product.



What are the effects of the subsidy on government spending and consumer spending?

	government spending	consumer spending
A	increases by US$240 million	decreases by US$40 million
B	increases by US$240 million	decreases by US$200 million
C	increases by US$480 million	decreases by US$40 million
D	increases by US$480 million	decreases by US$200 million

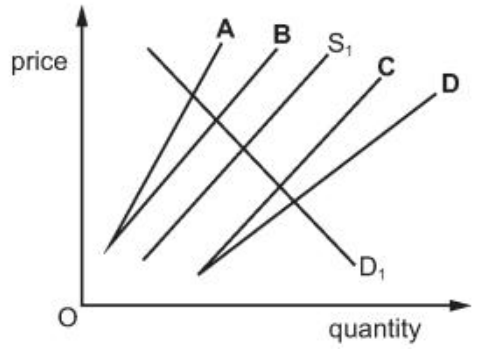
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227 – (9708/12_Summer_2021_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

In the diagram, S_1 and D_1 are the initial supply and demand curves of a product.

What would be the new supply curve following the removal of an ad valorem tax on the product?



228 – (9708/12_Summer_2021_Q19) – *The Price System And The Micro Economy*

What will cause a movement along an aggregate supply curve?

A a rise in the demand for exports

B a rise in the price of raw materials

C a rise in the productivity of labour

D a rise in the rate of sales tax

229 – (9708/13_Summer_2021_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

The world trade price of cars in country Y is US$10 000. At this price domestic car producers supply 100 000 cars to the market and domestic consumers purchase 200 000 cars. The government of country Y imposes a 10% tariff on imported cars.

Under which conditions will this tariff raise the most revenue for the government?

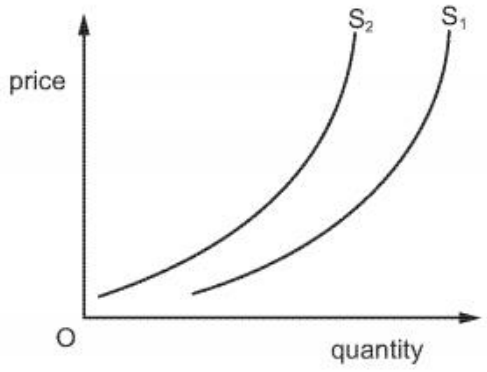
	price elasticity of supply of car producers in country Y	price elasticity of demand for cars in country Y
A	+0.5	–0.5
B	+0.5	–1.5
C	+1.5	–0.5
D	+1.5	–1.5

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230 – (9708/11_Winter_2021_Q5) – *The Price System And The Micro Economy*

The supply curve for fresh fish shifts from S_1 to S_2 as shown.



What is a possible reason for this change in the supply of fresh fish?

A Demand for fresh fish increases due to promotion of the health benefits.

B Favourable weather increases the quantity of fish being caught.

C Price of fresh fish falls due to a new substitute product becoming popular.

D Regulations limit the number of fish being caught to prevent over-fishing.

231 – (9708/12_Winter_2021_Q5) – *The Price System And The Micro Economy*

Which supply curve shows that the price elasticity of supply of the good is always equal to 1?

A a straight line that intersects the horizontal axis

B a straight line that intersects the vertical axis

C a straight line that passes through the origin

D a straight line that is vertical to the horizontal axis

232 – (9708/13_Winter_2021_Q5) – *The Price System And The Micro Economy*

What could cause an increase in consumer surplus in the market for a good?

	an increase in demand for the good	an increase in supply of the good
A	no	no
B	no	yes
C	yes	no
D	yes	yes

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233 - (9708/11_Winter_2021_Q6) - *The Price System And The Micro Economy*

When the supply of a good decreases, equilibrium price stays the same.

What is the price elasticity of demand of the good?

A –1

B zero

C +1

D infinite

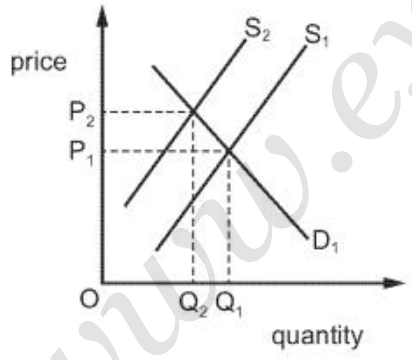
234 - (9708/12_Winter_2021_Q6) - *The Price System And The Micro Economy*

What could cause a shift in the supply curve of good X and a movement along its supply curve?

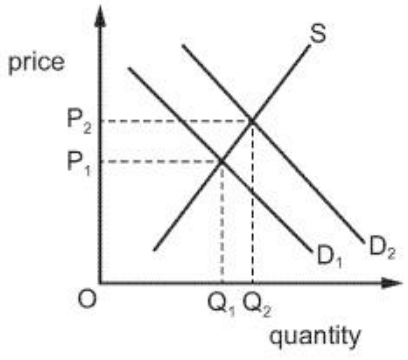
	shift in the supply curve	movement along the supply curve
A	a change in demand for good X	an increase in the price of a substitute good
B	a decrease in factor productivity	the imposition of a tax on good X
C	an increase in the price of a complementary good	an increase in factor productivity
D	an increase in the wage rates in the industry	a change in demand for good X

235 - (9708/13_Winter_2021_Q6) - *The Price System And The Micro Economy*

The diagrams show the effect of a change in the market for good X on the market for good Y.



change in the market for good X



effect on the market for good Y

What can be concluded from the diagrams?

A X and Y are complements.

B X and Y are in joint supply.

C X and Y are substitutes.

D Y is a derived demand from X.

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236 – (9708/11_Winter_2021_Q7) – *The Price System And The Micro Economy*

What can be measured by cross-elasticity of demand?

A a change in real income as a result of a change in the price of consumer goods

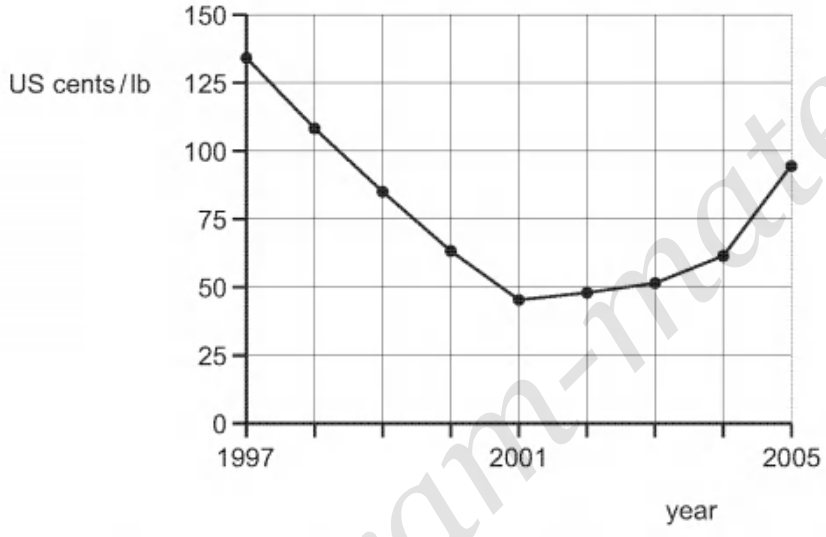
B a change in the demand for a good in response to a change in the price of a complement

C a change in the price of a good in response to a change in the demand for a substitute

D a change in the price of a good when the demand for it changes

237 – (9708/13_Winter_2021_Q7) – *The Price System And The Micro Economy*

The diagram shows the average world price of coffee in US cents per pound weight (lb) between 1997 and 2005.



Which event is consistent with the price behaviour shown in the specified time period?

A a continuous rise in the price of tea between 1997 and 2001

B the entry to the market of new producers of coffee between 1997 and 2001

C a series of good coffee harvests between 2001 and 2005

D increasing health worries about drinking coffee between 2001 and 2005

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238 – (9708/11_Winter_2021_Q8) – *The Price System And The Micro Economy*

The table shows the maximum price a consumer would be willing to pay for successive cans of fruit juice.

cans	first	second	third	fourth	fifth
price ($)	14	10	6	4	3

The price of a can of fruit juice is $4 and, having bought three cans, the consumer decides to buy a fourth.

How does buying the fourth can affect his consumer surplus?

A It leaves it unchanged.

B It lowers it by $2.

C It raises it by $4.

D It raises it by $34.

239 – (9708/12_Winter_2021_Q8) – *The Price System And The Micro Economy*

What is an example of the rationing function of the price mechanism?

A When the price of a product is falling, firms will allocate less resources to its production.

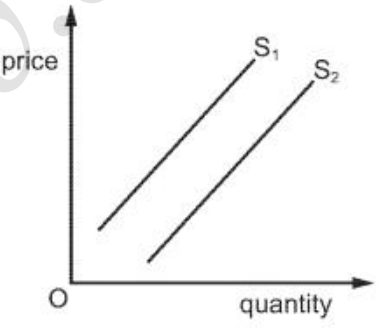
B When the price of a product is falling, the government can set an effective minimum price.

C When the price of a product is rising, firms will expand production of the product to make profits.

D When the price of a product is rising, some consumers will no longer be able to buy it.

240 – (9708/13_Winter_2021_Q8) – *The Price System And The Micro Economy*

The diagram shows a shift in the supply curve for a product from S_1 to S_2.



What could cause this shift in the supply curve?

A an increase in the cost of producing the product

B an increase in the income of consumers of the product

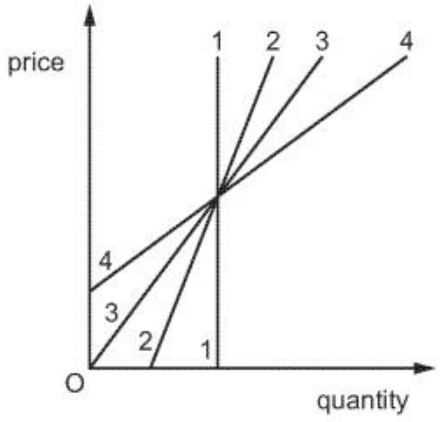
C an increase in the demand for a product that is jointly supplied

D an increase in the price of the product

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241 – (9708/11_Winter_2021_Q9) – *The Price System And The Micro Economy*

The diagram shows four supply curves.



Which statement about the price elasticities of the curves is correct?

A Curve 1 has constant infinite elasticity.

B Curve 2 has elasticity greater than curve 4 over its whole length.

C Curve 3 has increasing elasticity as price rises.

D Curve 4 has decreasing elasticity as price rises.

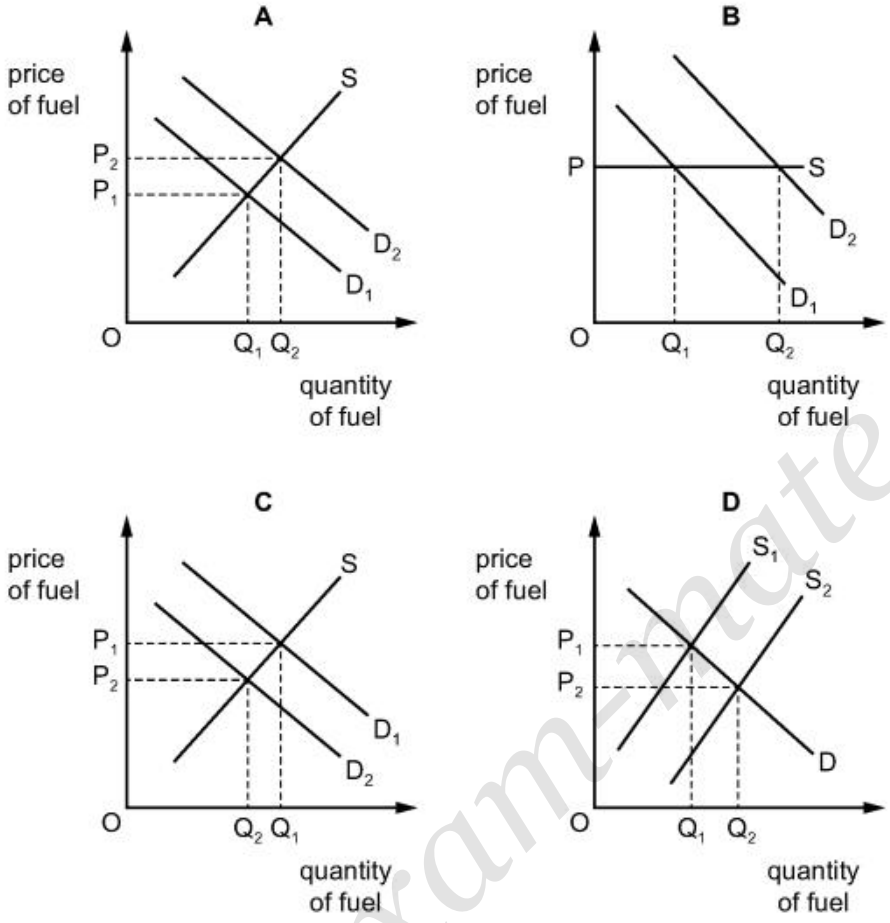
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242 – (9708/12_Winter_2021_Q9) – *The Price System And The Micro Economy*

In 2016 car drivers bought more fuel because the price of oil from which it was made had fallen.

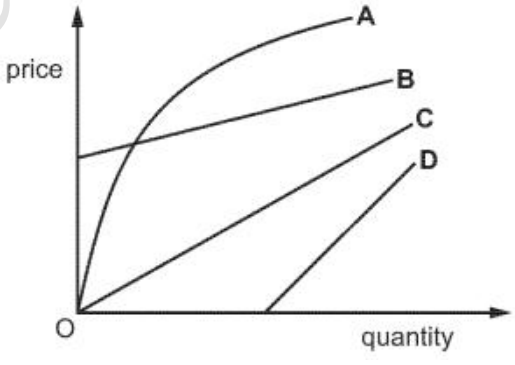
Which diagram represents this change in the market for fuel?



243 – (9708/13_Winter_2021_Q9) – *The Price System And The Micro Economy*

The diagram shows four supply curves.

For which curve is the price elasticity of supply constant?

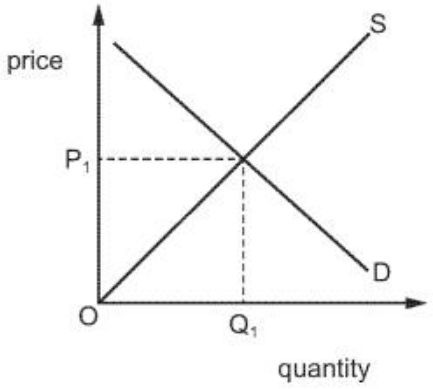


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244 – (9708/11_Winter_2021_Q10) – *The Price System And The Micro Economy*

The diagram shows the demand and supply curves for a good in a free market.



What can definitely be deduced from the diagram?

A All the costs and benefits of consumption are reflected in OP_1.

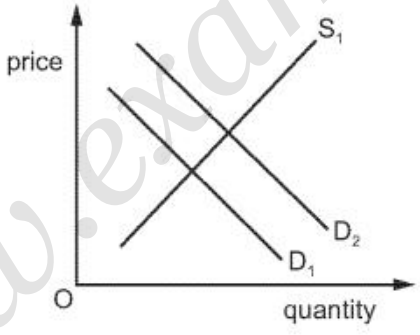
B At OP_1 consumer expenditure is greater than the firm's revenue.

C At OP_1 the price elasticity of supply is equal to one.

D The market will not clear at a price of OP_1.

245 – (9708/12_Winter_2021_Q10) – *The Price System And The Micro Economy*

The diagram shows the demand and supply curves for bread in a developed economy. Bread is a substitute for pasta and rice.



What would cause the demand curve for bread to shift from D_1 to D_2 in a developed economy?

A a rise in the price of pasta and rice

B a decrease in the real income of consumers

C a recession and rising unemployment

D a subsidy given to producers of pasta and rice

246 – (9708/13_Winter_2021_Q10) – *The Price System And The Micro Economy*

What would be the price elasticity of demand for smartphones if their price fell from US$100 to US$90 and the quantity demanded rose from 200 to 250?

A 0.2 **B** 0.4 **C** 2.5 **D** 5.0

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247 – (9708/11_Winter_2021_Q11) – *The Price System And The Micro Economy*

The demand for a good increases.

Under which circumstances will the quantity supplied of the good rise the most?

A It is an agricultural good that has an annual growing cycle and requires a cool climate.

B It is an agricultural good that is perishable and very expensive to store.

C It is a manufactured good that uses unskilled labour and there is unemployment in the economy.

D It is a manufactured good that uses capital-intensive production and it is currently at full capacity.

248 – (9708/12_Winter_2021_Q11) – *The Price System And The Micro Economy*

The table shows the quantity demanded of three goods when the price of good X changes.

price of X ($)	quantity of X demanded	quantity of Y demanded	quantity of Z demanded
5	100	60	20
4	110	50	22
3	140	30	28
2	200	15	40
1	300	4	60

Which relationships between X, Y and Z can be deduced from the table?

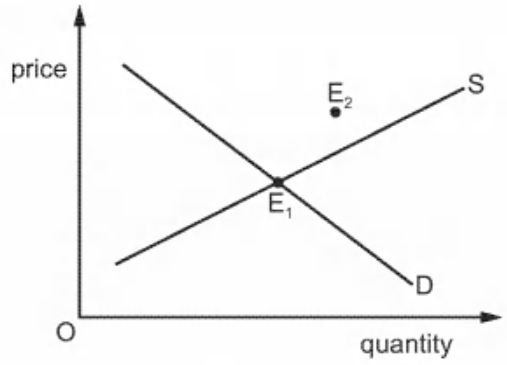
	Y is	Z is
A	a complement for X	a complement for X
B	a complement for X	a substitute for X
C	a substitute for X	a complement for X
D	a substitute for X	a substitute for X

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249 – (9708/13_Winter_2021_Q11) – *The Price System And The Micro Economy*

The diagram shows the demand for and supply of a normal good. E_1 is the initial equilibrium position.



Which changes could result in a new equilibrium E_2?

A a decrease in both the demand for and the supply of the good

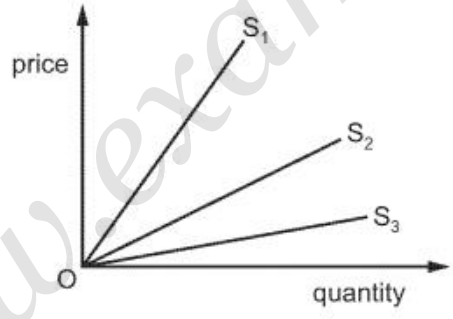
B an increase in both the demand for and the supply of the good

C an increase in consumer incomes, and a decrease in the supply of the good

D an increase in the price of a complement to the good, and an increase in the supply of the good

250 – (9708/12_Winter_2021_Q12) – *The Price System And The Micro Economy*

The diagram shows three supply curves.



What can be concluded about the price elasticity of supply of the curves?

A As price rises, the price elasticity of supply of S_2 will increase.

B At any price, the price elasticity of supply of S_1 will be less than that of S_3.

C At any price, the price elasticity of supply of S_2 will be higher than that of S_3.

D The price elasticity of supply of each curve is constant.

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251 – (9708/13_Winter_2021_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The table shows the market demand and market supply for kiwifruit over a year.

At a market price of $3 per kg there is disequilibrium in the market.

price of kiwifruit ($ per kg)	total market demand (thousand tonnes)	total market supply (thousand tonnes)
1	220	120
2	190	130
3	160	140
4	130	150
5	100	160

Which action would the government have to take to achieve market equilibrium at a price of $3 per kg?

A impose an indirect tax of $2 per kg on kiwifruit

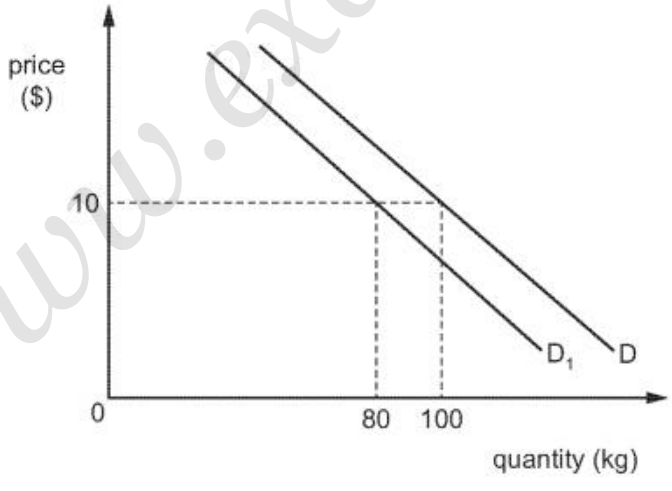
B purchase the entire supply at $3 per kg and sell at $2 per kg

C set a maximum price of $3 per kg

D subsidise kiwifruit production by $2 per kg

252 – (9708/11_Winter_2021_Q13) – *The Price System And The Micro Economy*

The diagram shows how a 10% increase in consumer incomes shifts the demand for good X from D to D_1.



Which statement about good X is correct?

A It is a normal good with income elastic demand.

B It is a normal good with income inelastic demand.

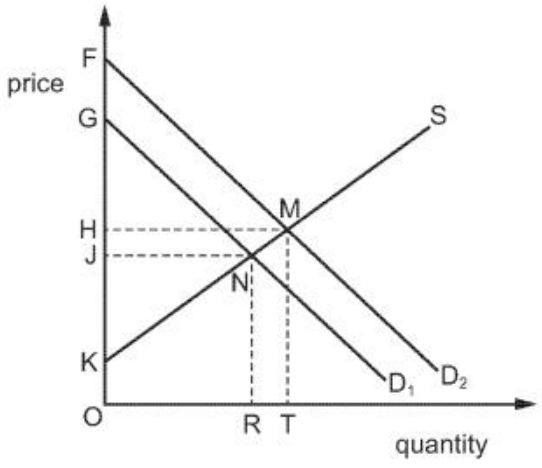
C It is an inferior good with income elastic demand.

D It is an inferior good with income inelastic demand.

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253 – (9708/12_Winter_2021_Q13) – *The Price System And The Micro Economy*

The diagram shows the market for smartphones in India.



Rising incomes in India have seen a demand for this normal good shift from D_1 to D_2.

Which area now represents consumer surplus and which area now represents producer surplus?

	consumer surplus	producer surplus
A	FMH	HMK
B	FMH	OKMT
C	GNJ	HMNJ
D	GNJ	JNK

254 – (9708/13_Winter_2021_Q13) – *The Price System And The Micro Economy*

The cross-elasticity of demand of good S with respect to the price of good P is +1.5.
The cross-elasticity of demand of good S with respect to the price of good R is –1.5.
The cross-elasticity of demand of good P with respect to the price of good R is –1.5.

What can be concluded about goods P, R and S?

A S and P are complements; P and R are substitutes.

B S and P are complements; R is an inferior good.

C S and P are substitutes; P and R are complements.

D S and P are substitutes; R is an inferior good.

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255 - (9708/13_Winter_2021_Q14) - *Government Microeconomic Intervention, The Price System And The Micro Economy*

A government wishes to impose a tax on a good so that the consumer pays most of the tax increase.

Which type of elasticity would best achieve this aim?

A high price elasticity of supply

B low price elasticity of supply

C unitary price elasticity of supply

D perfectly inelastic price elasticity of supply

256 - (9708/12_Winter_2021_Q18) - *The Price System And The Micro Economy, Government Microeconomic Intervention*

In an attempt to reduce crime, a government introduces a subsidy on the production of burglar alarms, but sales rise very little.

Which possible characteristics of the good would lead to this outcome?

	price elasticity of demand	price elasticity of supply
A	high	high
B	high	low
C	low	high
D	low	low

257 - (9708/13_Winter_2021_Q20) - *The Price System And The Micro Economy, Government Microeconomic Intervention, Government Macro Intervention*

The demand for a country's exports is price-elastic. Its government introduces export subsidies.

What will be the effect on its balance of trade and on its terms of trade?

	balance of trade	terms of trade
A	increase	increase
B	increase	decrease
C	decrease	increase
D	decrease	decrease

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258 – (9708/11_Summer_2022_Q5) – *The Price System And The Micro Economy*

The producer of a good with a price-elastic demand observes that a rise in its price is accompanied by a rise in total revenue.

What might explain this?

A The good is an inferior good.

B The rise in price was due to an increase in demand for the good.

C The supply of the good was inadequate to meet the demand.

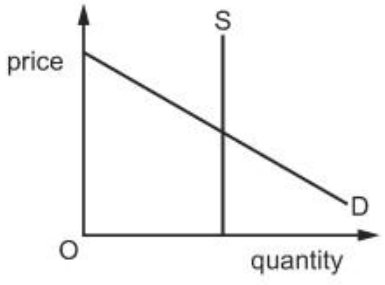
D The supply of the good was price-inelastic.

259 – (9708/13_Summer_2022_Q5) – *The Price System And The Micro Economy*

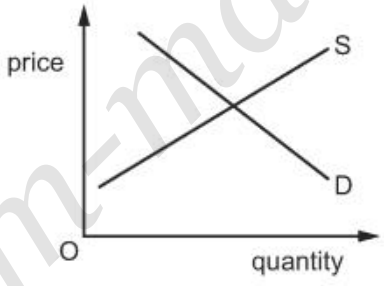
The diagrams relate to the markets for four different products.

In which market would a 10% decrease in demand and simultaneously a 10% increase in supply definitely result in both a fall in equilibrium price and a rise in equilibrium quantity?

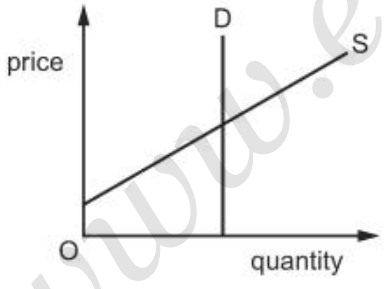
A



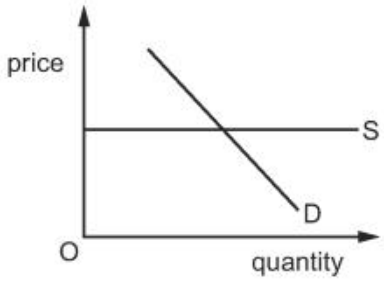
B



C



D



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260 – (9708/14_Summer_2022_Q5) – *The Price System And The Micro Economy*

Goods X and Y are complements and have upward-sloping supply curves.

What will be the effect on the equilibrium price and quantity of good X of an increase in the supply of good Y?

	price of X	quantity of X
A	decrease	decrease
B	increase	decrease
C	decrease	increase
D	increase	increase

261 – (9708/11_Summer_2022_Q6) – *The Price System And The Micro Economy*

What will increase the producer surplus of farmers that grow carrots?

A a decrease in the demand for carrots

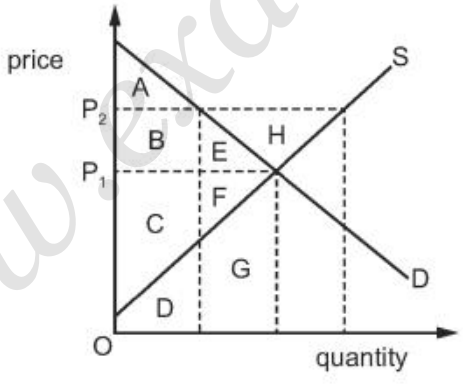
B a decrease in the price of carrot seed

C a decrease in the price of cabbage

D a decrease in the subsidy on carrots

262 – (9708/12_Summer_2022_Q6) – *The Price System And The Micro Economy*

The diagram shows supply and demand for a good.



If price increases from P_1 to P_2, what will happen to consumer surplus?

A It falls from ABE to A.

B It falls from CDFG to BCD.

C It increases from CF to BCEF.

D It increases from CF to BCEFH.

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263 – (9708/13_Summer_2022_Q6) – *The Price System And The Micro Economy*

The supply of a new drug to relieve muscle pain is very inelastic over a short period of time. The supply of printed newspapers is much more elastic over the same time period.

What could explain the difference in elasticity of supply of the drug and printed newspapers in this time period?

	new drug	printed newspapers
A	cost per unit is low	cost per unit is high
B	discovery is by chance	takes longer to produce
C	research and development essential	excess capacity in printing
D	similar products available	similar products unavailable

264 – (9708/14_Summer_2022_Q6) – *The Price System And The Micro Economy*

A change in which factor will be **least** likely to alter a consumer's ability to pay for a product?

A a consumer's income

B a consumer's tastes

C a change in the price of the product

D a fall in the tax on goods and services

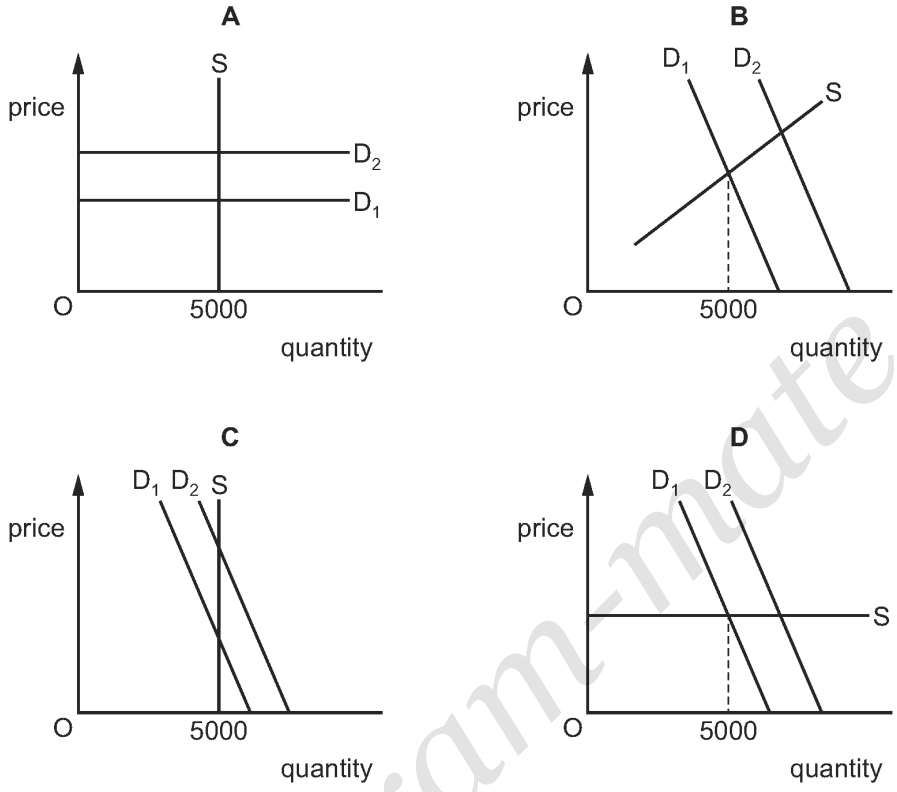
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265 – (9708/11_Summer_2022_Q7) – *The Price System And The Micro Economy*

A popular band is due to perform at a music concert in a venue that has a 5000-seat capacity. Recent appearances and the release of a new album have made the band even more popular. D_1 and S represent the original demand and supply curves for concert tickets and D_2 the new demand curve.

Which diagram best represents the likely outcome on the market for concert tickets?



266 – (9708/12_Summer_2022_Q7) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

What can be concluded about the roles of demand and supply in a free market?

A They allocate resources to the greatest needs.

B They ensure that goods and services are distributed equally.

C They are both significant in setting the market price.

D They ensure that everyone can benefit from the good or service provided.

267 – (9708/13_Summer_2022_Q7) – *The Price System And The Micro Economy*

Which change would cause the supply curve of sugar-sweetened drinks to shift to the right?

A a fall in the price of sugar

B a removal of a subsidy on sugar

C an increase in consumer income

D an increase of a specific tax on sugar

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268 - (9708/14_Summer_2022_Q7) - *The Price System And The Micro Economy*

What is likely to decrease the price elasticity of supply (PES) of a product?

A an increase in advertising the product

B an increase in the firm's ability to substitute capital for labour

C an increase in the time during which the product can be stored

D an increase in the time required to produce the product

269 - (9708/11_Summer_2022_Q8) - *The Price System And The Micro Economy*

Why does an individual's demand curve generally slope downwards to the right?

A The additional satisfaction an individual gets from consuming most goods decreases as consumption increases.

B The additional satisfaction an individual gets from consumption decreases as income rises.

C The individual has finite income which is used to attempt to satisfy many wants.

D For most goods the price charged by producers falls as the quantity purchased increases.

270 - (9708/12_Summer_2022_Q8) - *The Price System And The Micro Economy*

A firm has a successful advertising campaign for a good.

Which combination shows the impact on demand or supply and the associated reason?

A a leftward shift in the good's demand curve, as increased advertising cost raises the price of the product and reduces its demand

B a rightward shift in the good's supply curve, as the advertising cost of the firm increases

C a rightward shift in the good's demand curve, as successful advertising increases demand

D a leftward shift in the good's supply curve, as successful advertising enables firms to sell more

271 - (9708/13_Summer_2022_Q8) - *The Price System And The Micro Economy*

The demand for tablets increases, while the cost of producing them decreases.

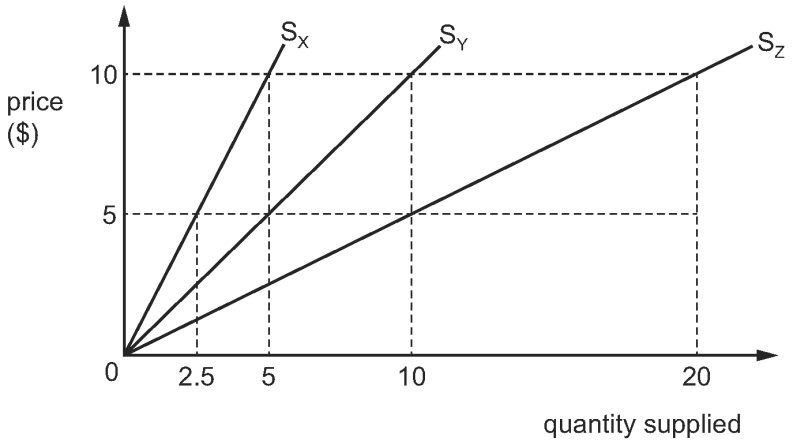
What will be the effect on the price of tablets and on the quantity supplied?

	price	quantity
A	fall	uncertain
B	rise	increase
C	uncertain	increase
D	uncertain	uncertain

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272 – (9708/14_Summer_2022_Q8) – *The Price System And The Micro Economy*

S_X, S_Y and S_Z are the supply curves of goods X, Y and Z.



If the price of all three goods rises from $5 to $10, what are their price elasticity of supply values?

	good X	good Y	good Z
A	equal to 1	equal to 1	equal to 1
B	equal to 1	greater than 1	greater than 1
C	less than 1	equal to 1	greater than 1
D	less than 1	greater than 1	greater than 1

273 – (9708/11_Summer_2022_Q9) – *The Price System And The Micro Economy*

What is price elasticity of supply?

A the change in the quantity supplied when a price changes

B the change in the quantity supplied when demand changes

C the comparison of the proportionate change in supply to the proportionate change in demand

D the comparison of the proportionate change in supply to the proportionate change in price

274 – (9708/12_Summer_2022_Q9) – *The Price System And The Micro Economy*

What would be the most likely reason for a firm's decision to calculate the price elasticity of demand for its product?

A to provide retail statistics for the government

B to predict the change in its total revenue after it raises prices

C to calculate the firm's competitive position

D to enable the firm to complete consumer satisfaction surveys

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275 - (9708/13_Summer_2022_Q9) - *The Price System And The Micro Economy*

What is necessary to achieve the best allocation of resources using the price mechanism?

A Producers can maximise their collective interest.

B Consumers and producers must have perfect knowledge.

C The government must be able to apply maximum and minimum prices.

D The value of the price elasticity of supply must be greater than one.

276 - (9708/14_Summer_2022_Q9) - *The Price System And The Micro Economy*

Each day there are hundreds of airline flights.

Which combination would make the demand for flights most price-inelastic?

	distance of flight	purpose of flight	income of traveller
A	long	business	high
B	long	leisure	low
C	short	business	low
D	short	leisure	high

277 - (9708/11_Summer_2022_Q10) - *The Price System And The Micro Economy*

What is necessary for consumer surplus to be zero?

A Demand is perfectly elastic.

B Demand is perfectly inelastic.

C Supply is perfectly elastic.

D Supply is perfectly inelastic.

278 - (9708/12_Summer_2022_Q10) - *The Price System And The Micro Economy*

The cross-elasticity of demand of good S with respect to the price of good P is +1.5.
The cross-elasticity of demand of good S with respect to the price of good R is –1.5.
The cross-elasticity of demand of good P with respect to the price of good R is –1.5.

What can be concluded about goods P, R and S?

A S and P are complements; P and R are substitutes.

B S and P are complements; R is an inferior good.

C S and P are substitutes; P and R are complements.

D S and P are substitutes; R is an inferior good.

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279 – (9708/13_Summer_2022_Q10) – *The Price System And The Micro Economy*

Goods X, Y and Z all have downward-sloping demand curves and upward-sloping supply curves. Good X is in joint supply with good Y and in joint demand with good Z.

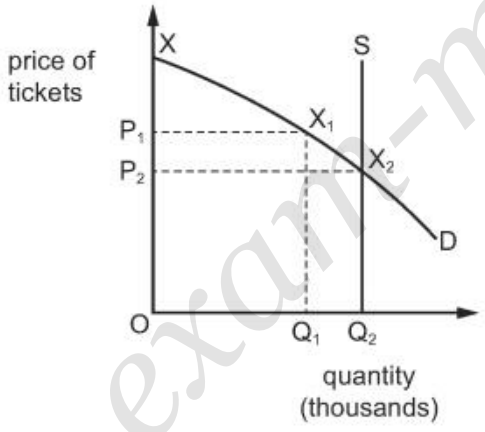
There is an increase in the demand for good X.

What will happen to the prices and sales of goods Y and Z?

	good Y		good Z	
	price	sales	price	sales
A	fall	fall	rise	rise
B	fall	rise	rise	rise
C	rise	fall	fall	rise
D	rise	rise	fall	fall

280 – (9708/14_Summer_2022_Q10) – *The Price System And The Micro Economy*

The diagram shows the demand for and supply of tickets for a music festival.



If tickets are priced at P_1, it is anticipated that demand will be Q_1. There is a discount for those that buy tickets in the first hour, who will pay P_2. All tickets are sold in the first hour.

Which area on the diagram shows how much consumer surplus was increased by buying the tickets in the first hour?

A $P_2X_2Q_2O$ **B** $P_1X_1Q_1O$ **C** $P_1X_1X_2P_2$ **D** XX_1Q_1O

281 – (9708/12_Summer_2022_Q11) – *The Price System And The Micro Economy*

Which combination of events is **most** likely to leave the demand curve for a normal good in the same position?

A a decrease in consumer incomes and an increase in the price of a substitute good

B a decrease in consumer incomes and an increase in the price of the good

C an increase in consumer incomes and an increase in the price of a substitute good

D an increase in consumer incomes and an increase in the price of the good

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282 – (9708/13_Summer_2022_Q11) – *The Price System And The Micro Economy*

What is meant by *consumer surplus*?

A It is the amount by which the price consumers are willing to pay exceeds the market price.

B It is the difference between the price consumers are willing to pay and the price producers are willing to supply.

C It is the discount firms offer to the consumers for buying goods in bulk.

D It is the excess of quantity demanded of a product over its quantity supplied at a given price.

283 – (9708/14_Summer_2022_Q11) – *The Price System And The Micro Economy*

The price elasticity of demand for a high-quality smartphone is elastic. The price of the smartphone decreases.

Which combination describes the impact of a fall in the smartphone's price on the quantity demanded and total revenue?

	quantity demanded	total revenue
A	rises by a greater percentage than the price fall	falls
B	rises by a greater percentage than the price fall	rises
C	rises by a smaller percentage than the price fall	falls
D	rises by a smaller percentage than the price fall	rises

284 – (9708/11_Summer_2022_Q12) – *The Price System And The Micro Economy*

The price of a product is above the market equilibrium price.

Which combination of changes is certain to result as the market adjusts towards equilibrium?

	quantity demanded	quantity supplied
A	falls	falls
B	falls	rises
C	rises	falls
D	rises	rises

285 – (9708/12_Summer_2022_Q12) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

What does **not** happen when price acts as a means to allocate resources?

A Price determines the supply of public goods.

B Price operates in the markets for both goods and factors of production.

C Price recognises consumers' ability to pay rather than consumers' needs.

D Price signals to producers which goods are most profitable.

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286 – (9708/13_Summer_2022_Q12) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

What does the assumption '*ceteris paribus*' mean when economists analyse the way in which the quantity demanded of a good changes?

A Changes in quantity demanded can cause changes in any of the other variables.

B Consumer preferences are always assumed to remain unchanged.

C Only one variable is assumed to change while the others remain the same.

D Several variables change simultaneously.

287 – (9708/14_Summer_2022_Q12) – *The Price System And The Micro Economy*

When the price of good X rises, total spending on good X rises, but the demand for good Y falls.

What can be concluded about good X and good Y?

	price elasticity of demand for good X	cross-elasticity of demand for good Y with respect to the price of good X
A	> 1	> 0
B	> 1	< 0
C	< 1	> 0
D	< 1	< 0

288 – (9708/11_Summer_2022_Q13) – *The Price System And The Micro Economy*

What can be concluded about a good with a positive cross-price elasticity of demand?

A Its price will be sensitive to changes in prices of close substitutes.

B Its price will be sensitive to changes in quantity demanded of close substitutes.

C The quantity demanded for this good will be sensitive to changes in prices of close substitutes.

D The quantity demanded for this good will be sensitive to changes in quantity demanded of close substitutes.

289 – (9708/12_Summer_2022_Q13) – *The Price System And The Micro Economy*

Which statement about market disequilibrium is correct?

A Price is likely to change.

B Supply is equal to demand.

C The government must intervene.

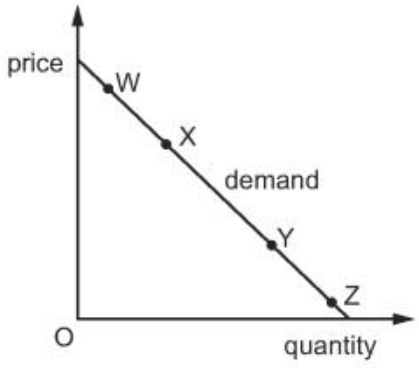
D There must be shortages.

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290 – (9708/13_Summer_2022_Q13) – *The Price System And The Micro Economy*

The diagram shows the demand curve for a normal product.



Which two points indicate a move from a price inelastic point to a less price inelastic point?

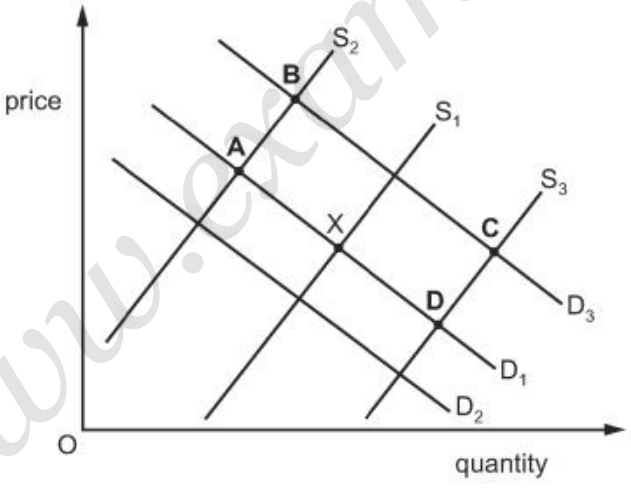
A W to X **B** X to W **C** Y to Z **D** Z to Y

291 – (9708/14_Summer_2022_Q13) – *The Price System And The Micro Economy*

In the diagram, D_1 and S_1 represent the demand for and supply of luxury watches. Equilibrium is initially at point X.

The cost of raw materials for manufacturing watches rises. At the same time, the incomes of the rich increase.

Which point on the diagram is **most** likely to represent the new equilibrium?



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292 – (9708/12_Summer_2022_Q15) – *The Price System And The Micro Economy*

The demand and supply functions for a product are quantity demanded = 1500 + 50P and quantity supplied = 300P – 2000 where P = price. With government regulation, the current price in the market is $15.

What can be concluded about the form of price regulation and the balance of demand and supply in the market?

	form of price regulation	balance of demand and supply
A	effective maximum price	excess demand
B	effective maximum price	excess supply
C	effective minimum price	excess demand
D	effective minimum price	excess supply

293 – (9708/14_Summer_2022_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

What will be the result of a subsidy that is given to the producers of a good with an inelastic demand curve?

A The equilibrium price of the good will fall by a larger percentage than the fall in equilibrium quantity.

B The equilibrium price of the good will fall by a larger percentage than the rise in equilibrium quantity.

C The equilibrium price of the good will fall by a smaller percentage than the fall in equilibrium quantity.

D The equilibrium price of the good will fall by a smaller percentage than the rise in equilibrium quantity.

294 – (9708/12_Summer_2022_Q24) – *The Price System And The Micro Economy, The Macro Economy*

The table gives different combinations of possible values for a country's price elasticity of demand for exports and price elasticity of demand for its imports.

Following the devaluation of the country's currency, under which combination of elasticities would the country's balance of payments on the current account worsen?

	price elasticity of demand for exports	price elasticity of demand for imports
A	0.3	0.3
B	0.2	0.9
C	0.6	0.5
D	1.2	1.2

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295 – (9708/11_Winter_2022_Q2) – *The Price System And The Micro Economy*

A local council provides a tap for drinking water in a town.

Would this make drinking water a free good?

A No, because it is possible to exclude some people from using the tap.

B No, because it requires the use of scarce resources.

C Yes, because it is available to all passers-by.

D Yes, because it is impossible to charge for it.

296 – (9708/11_Winter_2022_Q5) – *The Price System And The Micro Economy*

When will the demand curve for motorcycles shift to the left?

A when the price of cars falls

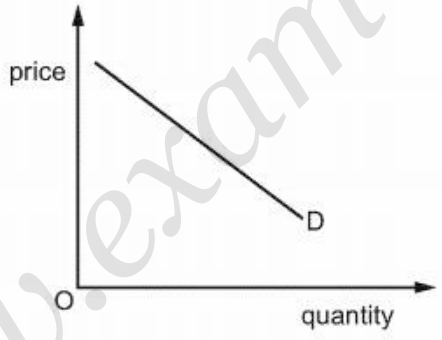
B when the price of motorcycles falls

C when the tax on motorcycles rises

D when the price of public transport rises

297 – (9708/11_Winter_2022_Q6) – *The Price System And The Micro Economy*

The diagram shows the demand curve for housing.



What is **not** assumed to remain constant when drawing this curve?

A consumer incomes

B expectations about future house prices

C the price of houses

D the rate of interest charged on loans for house purchase

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298 - (9708/12_Winter_2022_Q6) - *The Price System And The Micro Economy*

An indirect tax is imposed on a product, causing total expenditure by consumers to increase.

Which row identifies this situation?

	price	price elasticity
A	decreases	elastic
B	decreases	inelastic
C	increases	elastic
D	increases	inelastic

299 - (9708/13_Winter_2022_Q6) - *The Price System And The Micro Economy*

Consumer surplus exists in the market for rice.

What does this mean?

A Consumers benefit from rice production more than producers.

B Consumer demand for rice exceeds supply.

C Some consumers would be willing to pay more than the market price for rice.

D The production of rice exceeds the supply.

300 - (9708/11_Winter_2022_Q7) - *The Price System And The Micro Economy*

Which statement defines the price elasticity of supply?

A It is a measure of how the price of a good responds to a change in the quantity supplied.

B It is a measure of how the quantity supplied of a good responds to a change in its price.

C It is a measure of how the supply of a good responds to a change in its cost of production.

D It is a measure of how the supply of good X responds to a change in the price of good Y.

301 - (9708/12_Winter_2022_Q7) - *The Price System And The Micro Economy*

The price elasticity of the supply of yoghurt is +1.5.

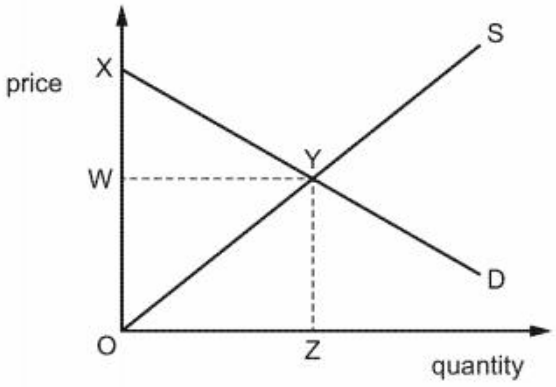
If the demand for yoghurt rises and price rises by 20%, how much more will be supplied to the market?

A 0.3% **B** 3.0% **C** 13.3% **D** 30%

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302 – (9708/13_Winter_2022_Q7) – *The Price System And The Micro Economy*

The diagram shows the demand curve and supply curve for a product.



Which area represents producer surplus?

A OWYZ minus OWY

B OWYZ minus OYZ

C OXYZ minus OYZ

D OXYZ minus WXY

303 – (9708/11_Winter_2022_Q8) – *The Price System And The Micro Economy*

Which products are likely to have a positive cross-elasticity of demand with tea?

A biscuits and cakes

B coffee and hot chocolate

C cups and saucers

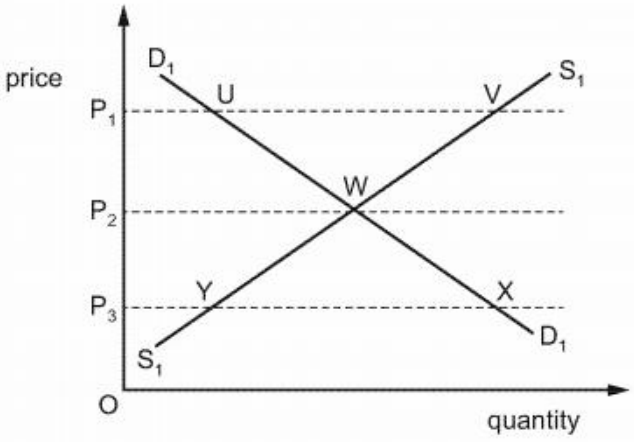
D sugar and milk

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304 – (9708/12_Winter_2022_Q8) – *The Price System And The Micro Economy*

The diagram shows the market demand for and supply of a good.



Which statement is **not** valid?

A At price OP_1, UV represents the market surplus.

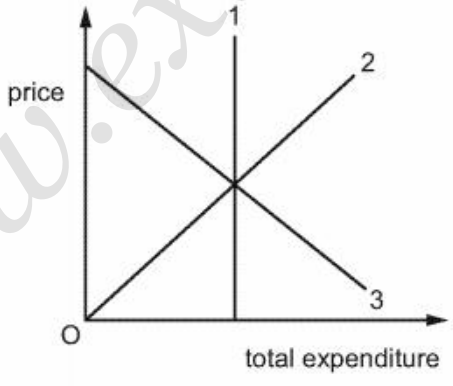
B At price OP_3, P_3X represents the quantity that consumers are able and willing to buy.

C If price were to fall from OP_1 to OP_3, the extra quantity demanded would be equal to the extra quantity supplied.

D Price OP_2 is the market equilibrium price.

305 – (9708/13_Winter_2022_Q8) – *The Price System And The Micro Economy*

The diagram shows the relationship between total expenditure and price for three products, 1, 2 and 3.



Which curves represent the products with price-elastic and unitary price-elastic demand?

	elastic	unitary
A	1	2
B	2	3
C	3	1
D	3	2

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306 – (9708/11_Winter_2022_Q9) – *The Price System And The Micro Economy*

What does **not** cause a shift in the supply curve of cars?

A a change in the car producers' costs of production

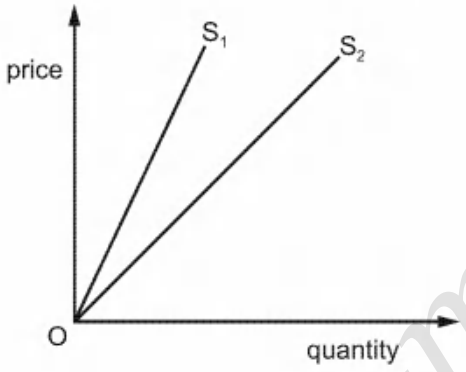
B a change in the price of fuel used by car owners

C a change in the rate of sales tax on cars

D a change in the wage rate of workers in the car industry

307 – (9708/12_Winter_2022_Q9) – *The Price System And The Micro Economy*

The diagram shows two linear supply curves labelled S_1 and S_2, where S_2 is a 45° line.



Which statement about the price elasticity of supply is correct?

A The price elasticity of supply is different at every point along both S_1 and S_2.

B The price elasticity of supply of S_1 is elastic and S_2 is unit elastic.

C The price elasticity of supply of S_1 is inelastic and S_2 is unit elastic.

D The price elasticity of supply is unit elastic at every point along both S_1 and S_2.

308 – (9708/13_Winter_2022_Q9) – *The Price System And The Micro Economy*

What causes an inelastic market supply curve for an agricultural crop such as wheat?

A a government decision to import crops at times of shortage

B an efficient use of fertilisers causing crop production to rise

C the storage of excess production for future sale

D the very long time required to produce additional output

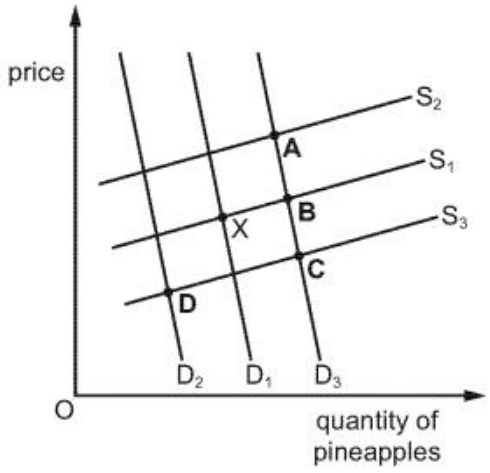
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309 – (9708/11_Winter_2022_Q10) – *The Price System And The Micro Economy*

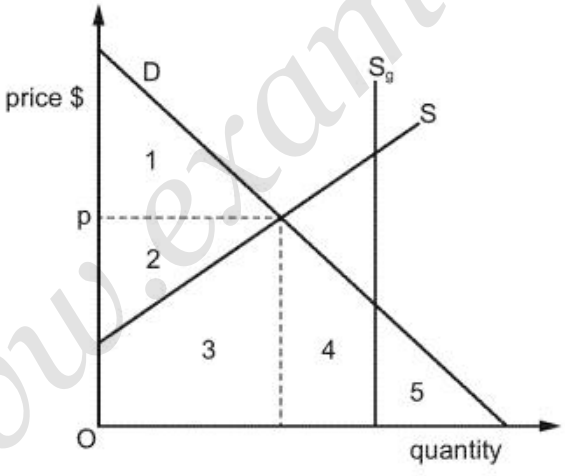
The diagram shows the market for pineapples. X is the original equilibrium point. Pineapple producers benefit from improved technology. At the same time, a new diet book suggests that eating pineapples helps weight loss.

Which point is the new equilibrium?



310 – (9708/12_Winter_2022_Q10) – *The Price System And The Micro Economy*

A country has health care provided by the free market. This is replaced by the government provision of S_g free health care.



What is the change in consumer surplus?

A from 1 to (1 + 2)

B from 1 to (1 + 2 + 3 + 4)

C from (1 + 2) to (1 + 2 + 3)

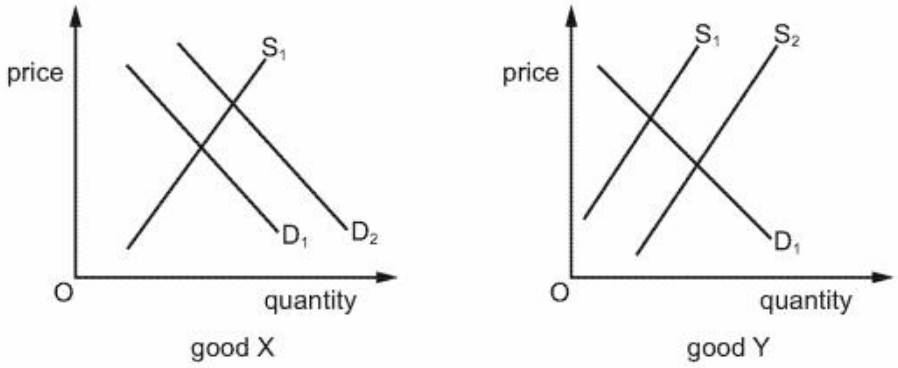
D from (1 + 2) to (2 + 3 + 4 + 5)

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311 – (9708/13_Winter_2022_Q10) – *The Price System And The Micro Economy*

The diagrams show the effect of a change in the market for good X on the market for good Y.



What can be concluded about the goods?

A X and Y are complements.

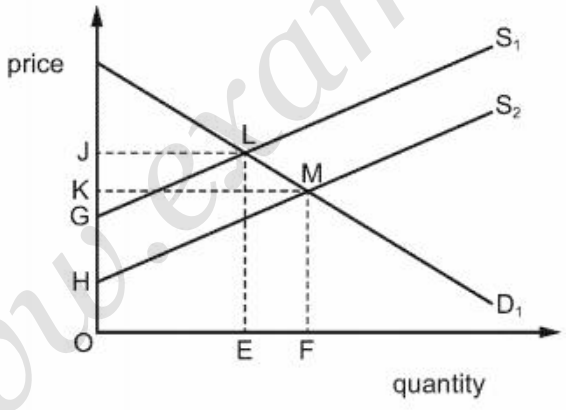
B X and Y are in joint supply.

C X and Y are substitutes.

D Y is a derived demand from X.

312 – (9708/11_Winter_2022_Q11) – *The Price System And The Micro Economy*

The diagram shows the impact of a fall in the price of oil that will lead to a fall in energy costs for many manufacturers.



What will be the impact of this change on consumer and producer surplus?

	consumer surplus	producer surplus
A	falls	falls
B	falls	rises
C	rises	falls
D	rises	rises

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313 – (9708/12_Winter_2022_Q11) – *The Price System And The Micro Economy*

What is an example of a product in joint demand with a smartphone?

A an alternative brand of smartphone

B a personal computer (PC)

C headphones that can be used with a smartphone

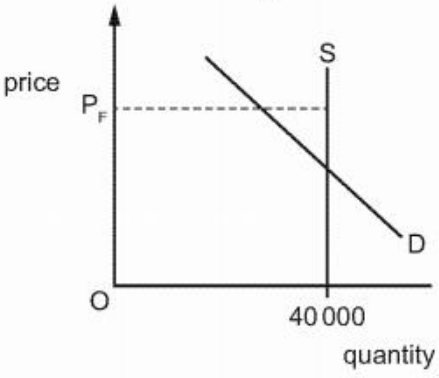
D the metals used in the manufacture of a smartphone

314 – (9708/13_Winter_2022_Q11) – *The Price System And The Micro Economy*

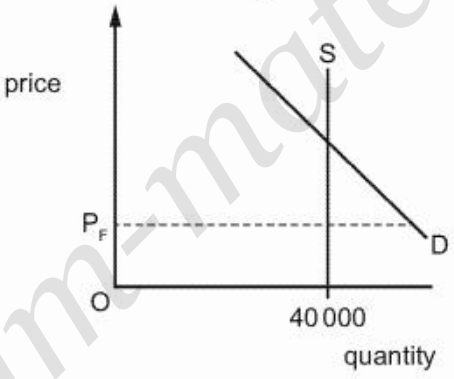
The final of a major sports event is held in a stadium which has a fixed capacity of 40 000 people. The price for a seat is set at P_F, but when the tickets go on sale all tickets are sold very quickly with many disappointed people unable to buy a ticket.

Which diagram best represents this?

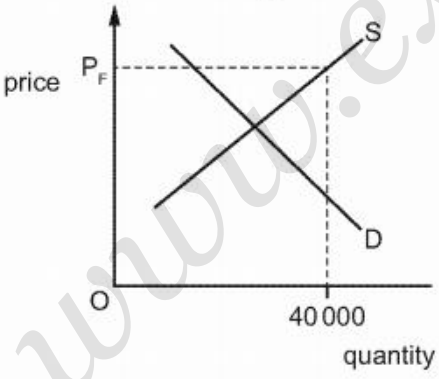
A



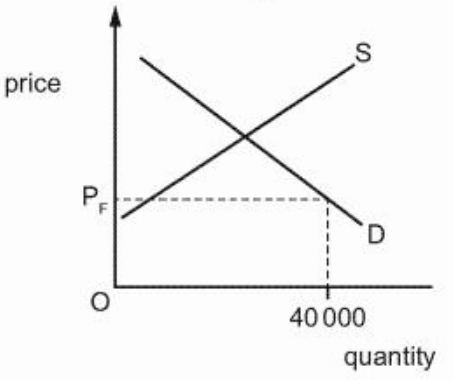
B



C



D



315 – (9708/11_Winter_2022_Q12) – *The Price System And The Micro Economy*

When is the supply curve for a car manufacturing firm **most** likely to be price elastic?

A when the firm finds it difficult to recruit new labour

B when the firm has a large quantity of stock

C when the firm is operating in the short run

D when the firm is operating near to full capacity

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316 – (9708/12_Winter_2022_Q12) – *The Price System And The Micro Economy*

A product has a high price elasticity of supply.

What might explain this?

A It has a high opportunity cost.

B It has a non-perishable nature.

C It is classed as an inferior good.

D It is classed as a luxury good.

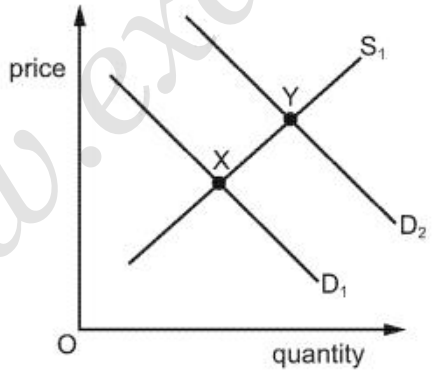
317 – (9708/13_Winter_2022_Q12) – *The Price System And The Micro Economy*

Which product has the lowest price elasticity of demand?

	price rises by (%)	quantity demanded falls by (%)
A	0	10
B	5	5
C	10	5
D	10	0

318 – (9708/11_Winter_2022_Q13) – *The Price System And The Micro Economy*

The diagram shows the market for electric steel-plated switches used in new houses.



What could **not** have caused the market equilibrium position to have changed from X to Y?

A increasing the availability of loans for buying houses

B granting a subsidy for producers of bricks

C removing sales tax on electric switches

D removing tariffs on imports of wood

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319 – (9708/12_Winter_2022_Q13) – *The Price System And The Micro Economy*

What is likely to affect the position of the demand curve for tickets to pop concerts but **not** the position of the supply curve?

A a change in incomes of potential customers

B a change in price of tickets to the concerts

C a change in rents charged by venue owners

D a change in seating capacity of concert venues

320 – (9708/13_Winter_2022_Q13) – *The Price System And The Micro Economy*

The market for a product is initially in equilibrium.

Which combination of changes will cause the price of the product to rise and the quantity sold to fall?

A a decrease in demand that is larger than a decrease in supply

B a decrease in demand that is smaller than a decrease in supply

C an increase in demand that is larger than an increase in supply

D an increase in demand that is smaller than an increase in supply

321 – (9708/12_Winter_2022_Q14) – *The Price System And The Micro Economy*

The table shows Lee's and Yim's price elasticity of demand for restaurant meals and cinema tickets.

	Lee	Yim
restaurant meals	–1.2	–0.8
cinema tickets	–0.7	–0.3

There is a rise in the price of both products.

What can definitely be concluded after these price changes?

A Restaurant owners will receive more income.

B Lee will spend more money on both products.

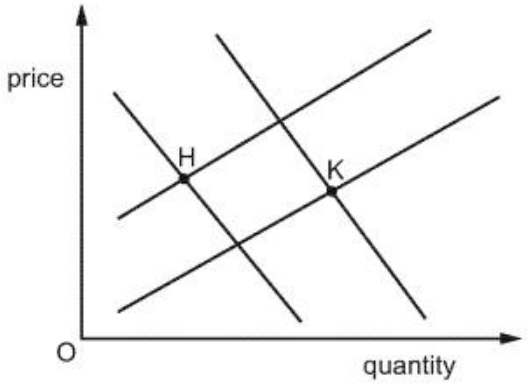
C Yim will spend more money on both products.

D Cinema owners will receive less income.

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322 – (9708/13_Winter_2022_Q14) – *The Price System And The Micro Economy*

The diagram shows two demand curves and two supply curves. The initial equilibrium is at H.



Which combinations of shifts in the demand and supply curves would result in a change in the equilibrium position from H to K?

A an increase in demand and an increase in supply

B an increase in demand and a decrease in supply

C a decrease in demand and an increase in supply

D a decrease in demand and a decrease in supply

323 – (9708/11_Summer_2023_Q5) – *The Price System And The Micro Economy*

Which row correctly describes the relationship between two goods implied by the value of the cross elasticity of demand?

	value of the cross elasticity of demand	description
A	–2.0	weak complements
B	–0.5	weak substitutes
C	+0.5	weak substitutes
D	+2.0	strong complements

324 – (9708/11_Summer_2023_Q6) – *The Price System And The Micro Economy*

What does consumer surplus measure?

A the excess profit earned by the producer of a good

B the opportunity cost to the consumer of not buying a good

C the price the marginal consumer is willing to pay for a good

D the consumer's gain from purchasing a good at a price below what they are willing to pay

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325 – (9708/11_Summer_2023_Q7) – *The Price System And The Micro Economy*

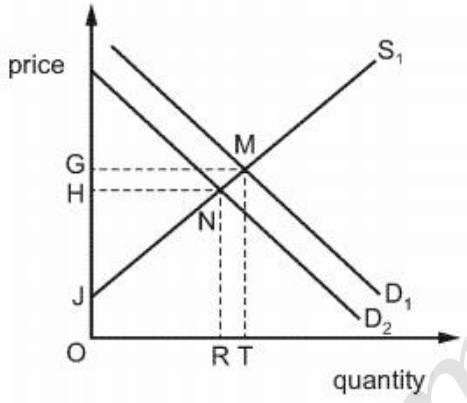
When the price of good X is $2.00, the quantity supplied is 100 000. The price elasticity of supply of good X is 0.8 in the short run and 1.4 in the long run. The price of good X increases to $2.20.

What is the increase in the quantity supplied of good X between the short run and the long run?

A 6000 **B** 60 000 **C** 114 000 **D** 140 000

326 – (9708/11_Summer_2023_Q8) – *The Price System And The Micro Economy*

The diagram shows the European market for diesel fuel and the original equilibrium is at M.



Europeans want low-emission cars and therefore the demand for diesel fuel has decreased from D_1 to D_2.

Which area represents the new producer surplus for companies supplying diesel fuel?

A GMNH **B** JGM **C** JHN **D** JNR

327 – (9708/11_Summer_2023_Q9) – *The Price System And The Micro Economy*

In which situation is the demand for a product said to be price elastic?

A The quantity demanded responds to a change in price.

B An increase in price brings about a decrease in the quantity demanded.

C An increase in price induces consumers to spend more on the product.

D A decrease in price brings about an increase in revenue.

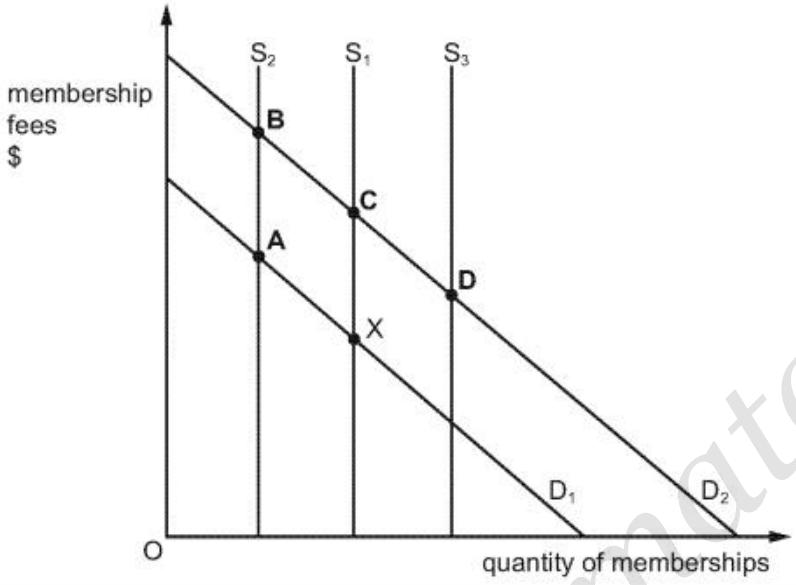
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328 – (9708/11_Summer_2023_Q10) – *The Price System And The Micro Economy*

Golf club membership fees in Singapore have risen as a result of restrictions on travel to cheaper golf courses in neighbouring countries and the closure of some local courses. The supply of golf club memberships is determined by the current number of courses.

If the original equilibrium was at X, which point shows the result of these changes?



329 – (9708/11_Summer_2023_Q13) – *The Price System And The Micro Economy*

Demand for medical face masks exceeds supply during a disease outbreak.

What is the most likely cause of this excess demand?

A Some consumers do not have effective demand.

B The demand for medical face masks is price inelastic in the short run.

C The price of medical face masks is fixed below the equilibrium price.

D The supply of medical face masks is inelastic in the short run.

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330 – (9708/11_Summer_2023_Q16) – *The Price System And The Micro Economy*

The table shows the income and wealth of Yasmin.

items	$
children's welfare benefits	1 000
dividends from shares	1 000
property owned	40 000
savings in bank	1 000
shares	2 000
wages	10 000

What is the value of Yasmin's wealth?

A $41 000 **B** $43 000 **C** $44 000 **D** $45 000

331 – (9708/12_Summer_2023_Q5) – *The Price System And The Micro Economy*

Price plays a number of functions in the allocation of resources.

Which statement best illustrates the function that relies upon consumer choice (sometimes known as the incentivising function)?

A A price fall can show consumers that a good is becoming less popular.

B A price fall tends to persuade some producers not to stay in the market for the good.

C A price rise means consumers cannot afford to buy so much of a good.

D A price rise tends to reduce competitiveness in the market for a good.

332 – (9708/12_Summer_2023_Q6) – *The Price System And The Micro Economy*

Which pair of products are substitutes both in consumption and production?

A barley and cotton

B gold and silver

C soap and toothpaste

D spinach and cabbage

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333 - (9708/12_Summer_2023_Q8) - *The Price System And The Micro Economy*

The cross elasticity of demand between bus travel and rail travel is +2. A rise in the price of bus fares caused the demand for rail travel to rise by 10%.

Which change in bus fares would have caused this?

	from (cents)	to (cents)
A	20	21
B	30	33
C	40	45
D	50	60

334 - (9708/12_Summer_2023_Q9) - *The Price System And The Micro Economy*

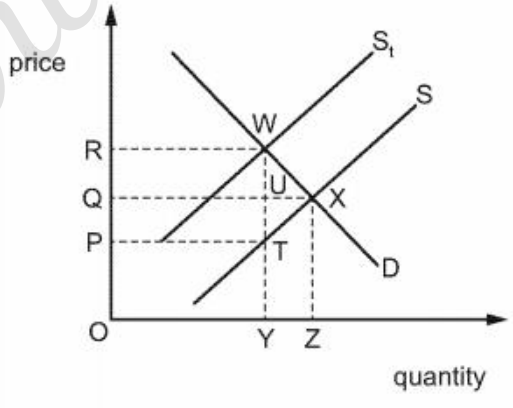
A change in the price of a good causes an increase in the quantity of the good demanded.

What would be the nature of the good and the direction of price change for this to be certain to happen?

	nature of good	price change
A	inferior	fall
B	inferior	rise
C	normal	fall
D	normal	rise

335 - (9708/12_Summer_2023_Q10) - *The Price System And The Micro Economy*

A specific tax is placed upon each bottle of perfume sold. In the diagram, S is the supply curve before tax, S_t is the supply curve after tax.



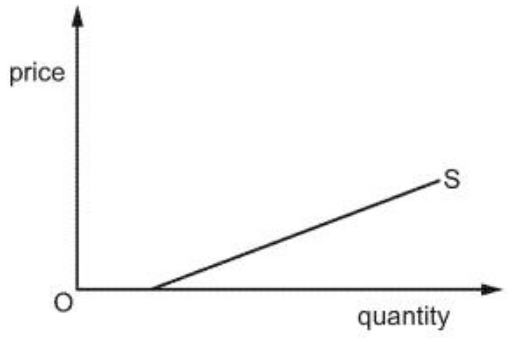
Which area represents that part of the tax revenue paid by producers?

A ORWY **B** PQUT **C** PRWT **D** QRWU

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336 – (9708/12_Summer_2023_Q11) – *The Price System And The Micro Economy*

The diagram shows the supply curve of a firm.



Which statement about the price elasticity of supply (PES) along this curve is correct?

A PES is greater than unity at all points along the supply curve.

B PES is the same at all points along the supply curve.

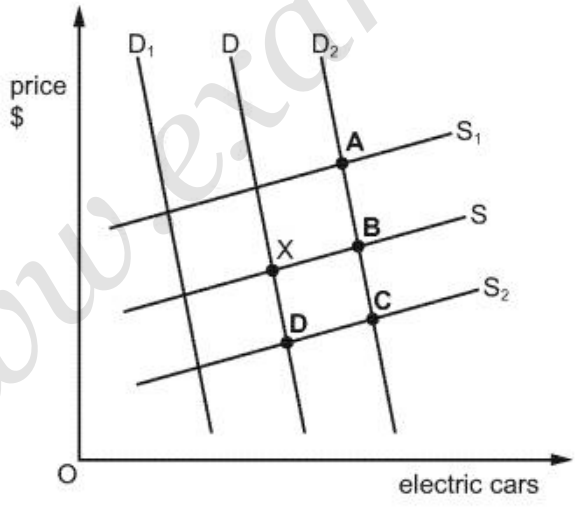
C PES is elastic when the price is low and becomes more inelastic when the price rises.

D PES rises when the supply rises.

337 – (9708/12_Summer_2023_Q12) – *The Price System And The Micro Economy*

The diagram shows the market for electric cars with X as the initial equilibrium.

What will be the new equilibrium when the price of electric car batteries falls and consumers become more environmentally aware?



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338 – (9708/12_Summer_2023_Q13) – *The Price System And The Micro Economy*

What would cause a market disequilibrium?

A when a decrease in the demand for a product leads to a price fall that results in some producers leaving the market

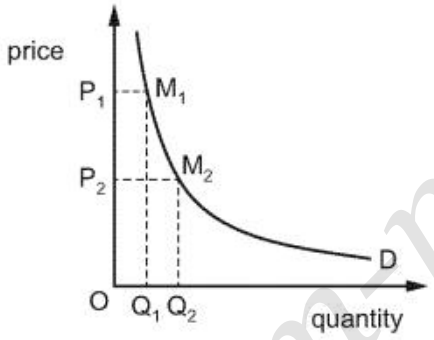
B when a decrease in the demand for a product leads to some producers being unable to sell products at the current price

C when a decrease in the supply of a product leads to a price rise that results in the market for the product clearing

D when a decrease in the supply of a product leads to a price rise that makes it too expensive for some poorer households

339 – (9708/12_Summer_2023_Q14) – *The Price System And The Micro Economy*

In the diagram, area $OP_1M_1Q_1$ is equal to area $OP_2M_2Q_2$.



What is the value of the price elasticity of demand if the price is halved from P_1 to P_2?

A –1

B –0.5

C zero

D infinity

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340 – (9708/12_Summer_2023_Q15) – *The Price System And The Micro Economy*

The table shows changes in a consumer's expenditure on various goods when her income increases from $20 000 to $24 000.

good	income $20 000: amount spent on good ($)	income $24 000: amount spent on good ($)
W	100	96
X	100	100
Y	200	224
Z	200	248

Assuming all else remains unchanged, for which goods is the consumer's income elasticity of demand greater than 1.0?

A W, Y and Z

B W and Z only

C W only

D Z only

341 – (9708/13_Summer_2023_Q5) – *The Price System And The Micro Economy*

When is the price elasticity of demand for a product most likely to be price elastic?

A A large percentage of income is spent on the product.

B It is measured in the short run.

C It is a necessity product.

D There are few substitutes available.

342 – (9708/13_Summer_2023_Q6) – *The Price System And The Micro Economy*

What is most likely to cause a shift in the supply curve for rice?

A a change in the price of the rice

B a change in the price of meat

C a change in the size of the rice industry

D a change in tastes and preferences for rice

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343 – (9708/13_Summer_2023_Q7) – *The Price System And The Micro Economy*

A free market is in disequilibrium with a shortage of a product.

As the market moves towards equilibrium, what will happen to the price, the quantity demanded and the quantity supplied?

	price	quantity demanded	quantity supplied
A	decrease	decrease	increase
B	decrease	increase	decrease
C	increase	decrease	increase
D	increase	increase	decrease

344 – (9708/13_Summer_2023_Q8) – *The Price System And The Micro Economy*

What would **not** cause a shift in the demand curve for a good?

A a change in the price of a complement

B a change in the price of a substitute

C a change in the price of the good itself

D a change in consumers' incomes

345 – (9708/13_Summer_2023_Q9) – *The Price System And The Micro Economy*

What does joint supply mean?

A A firm can choose between producing a range of different goods.

B A good has multiple uses.

C A good is a by-product of the production process of another good.

D Consumers consider two goods as complements.

346 – (9708/13_Summer_2023_Q10) – *The Price System And The Micro Economy*

When the price of a firm's product falls by 5%, its total revenue also falls by 5%.

What describes the product's price elasticity of demand?

A elastic

B infinite

C unitary

D zero

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347 – (9708/13_Summer_2023_Q11) – *The Price System And The Micro Economy*

The table shows how an individual's weekly consumption of biscuits and coffee varies with income.

income ($)	biscuits (packs)	coffee (cups)
100	0	5
150	5	10

Which statement about the income elasticity of demand over the range of income shown is correct?

A For biscuits it is greater than 1.

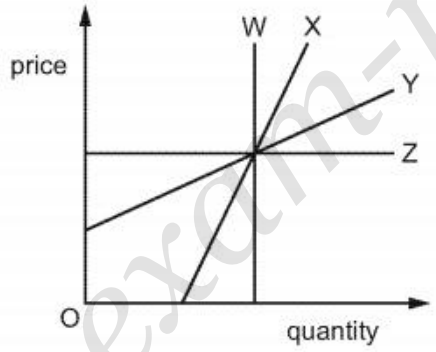
B For biscuits it is zero.

C For coffee it is less than 1.

D For coffee it is unitary.

348 – (9708/13_Summer_2023_Q12) – *The Price System And The Micro Economy*

The diagram shows four supply curves.



Which statement about the price elasticity of these supply curves is correct?

A W has elasticity of 0 that will rise as price rises.

B X has elasticity greater than 1 that will be constant as price rises.

C Y has elasticity greater than 1 that will fall as price rises.

D Z has elasticity of 0 that is constant as quantity rises.

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349 – (9708/13_Summer_2023_Q13) – *The Price System And The Micro Economy*

Product X has a price elasticity of supply (PES) of +2, whilst product Y has a PES of +0.2.

Which statement about products X and Y is correct?

A X has more substitutes than Y.

B A 20% price fall would lead to a greater decrease in production of Y than of X.

C After a price rise, it is more difficult to increase Y's output than X's.

D After a price fall of 10%, more people would buy X than would buy Y.

350 – (9708/13_Summer_2023_Q14) – *The Price System And The Micro Economy*

There are 10 000 tickets available to watch a sports final at a national stadium. The initial market equilibrium ticket price is $20. The government decides to fix an effective minimum price for the tickets.

Under which conditions will the consumer surplus for the tickets decrease the most as a result of the minimum price?

	minimum price level $	price elasticity of demand for tickets
A	18	–0.5
B	18	–1.5
C	22	–0.5
D	22	–1.5

351 – (9708/11_Winter_2023_Q5) – *The Price System And The Micro Economy*

Which statement correctly describes the area of producer surplus on a demand and supply diagram?

A It is above the supply curve and below the equilibrium price line.

B It is above the supply curve and below the demand curve.

C It is below the demand curve and above the equilibrium price line.

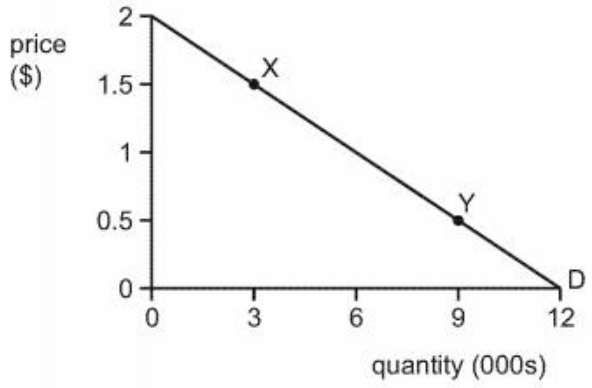
D It is below the supply curve and above the horizontal axis.

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352 – (9708/11_Winter_2023_Q6) – *The Price System And The Micro Economy*

The diagram shows a demand curve for pineapples.



What happens to the value of price elasticity of demand (PED) when there is a movement from point X to point Y and what describes the value of PED at point Y?

	effect on value of PED	value of PED at Y
A	fall	elastic
B	fall	inelastic
C	rise	elastic
D	unchanged	unitary

353 – (9708/11_Winter_2023_Q7) – *The Price System And The Micro Economy*

In a free market, there is a surplus of a good.

Which change would cause the market to come to an equilibrium?

A a decrease in demand

B a fall in price

C a government minimum price

D an increase in supply

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354 – (9708/11_Winter_2023_Q8) – *The Price System And The Micro Economy*

The cross-elasticity of demand between good P and good Q is –0.4.

The cross-elasticity of demand between good P and good R is +0.6.

Which combination of goods is most likely to be represented by this information?

	good P	good Q	good R
A	cream	yoghurt	raspberry
B	yoghurt	strawberry	raspberry
C	strawberry	cream	raspberry
D	strawberry	raspberry	cream

355 – (9708/11_Winter_2023_Q9) – *The Price System And The Micro Economy*

The supply, S, of a product is determined by the equation

$$S = 10 + 10P$$

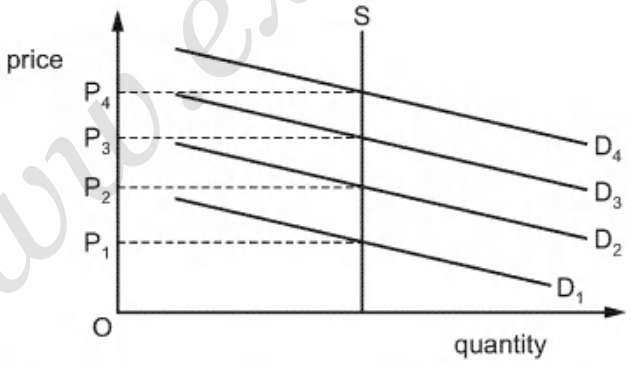
where P is the price of the product in $.

What is the product's price elasticity of supply when its price rises from $1 to $2?

A 0.5 **B** 1.0 **C** 2.0 **D** 5.0

356 – (9708/11_Winter_2023_Q10) – *The Price System And The Micro Economy*

In the diagram, the supply curve shows the number of spaces in a car park and the demand curves show the demand for spaces on four different days, D_1, D_2, D_3 and D_4.



The owner wishes to charge a parking fee on each of these days to allocate the spaces according to the market mechanism.

Which pricing policy should the owner use?

A set a fixed price at P_1

B set a fixed price at P_4

C vary prices between P_2 and P_3

D vary prices between P_1 and P_4

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357 – (9708/11_Winter_2023_Q11) – *The Price System And The Micro Economy*

The table shows the demand schedule for textbooks.

price $	quantity demanded
50	0
40	100
30	200
20	300
10	400
0	500

What can be concluded from this information?

A Profit would be maximised at a price of $30.

B Profit would not change if the price rose from $20 to $30.

C Revenue would increase if the price was decreased from $40 to $30.

D Revenue would be maximised at a price of $40.

358 – (9708/11_Winter_2023_Q12) – *The Price System And The Micro Economy*

Which event is most likely to enable firms to respond to an increase in demand by increasing supply rather than by raising price?

A Firms reduce their expenditure on the training of workers.

B Import duties are increased on machines that increase the speed of production.

C The government introduces buffer stock schemes for the goods produced by the firm.

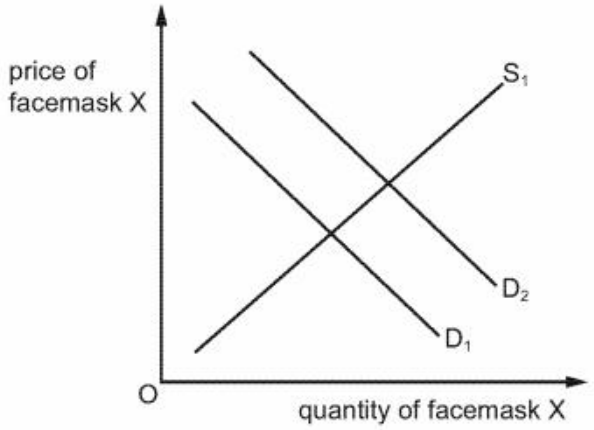
D Trade unions become strong, leading to poor labour productivity.

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359 – (9708/11_Winter_2023_Q13) – *The Price System And The Micro Economy*

In the diagram, S_1 is the supply curve and D_1 is the initial demand for facemask X. A rival firm produces facemask Y, which is a close substitute.



What would cause the demand curve to shift to D_2?

A a decrease in the costs of the materials to make facemask X

B a decrease in the costs of the materials to make facemask Y

C an increase in the price of facemask X

D an increase in the price of facemask Y

360 – (9708/12_Winter_2023_Q5) – *The Price System And The Micro Economy*

Rice and pasta are both basic foods in a country.

How would a health scare concerning rice affect the market for pasta?

A There will be a shift of demand and a contraction of supply.

B There will be a shift of demand and an extension of supply.

C There will be a shift of supply and a contraction of demand.

D There will be a shift of supply and an extension of demand.

361 – (9708/12_Winter_2023_Q6) – *The Price System And The Micro Economy*

Some goods are over-consumed in a market economy.

What is likely to be the cause of this?

A Consumer surplus exceeds producer surplus.

B Consumers undervalue the benefits of consuming the goods.

C There is excess supply in the market for the goods.

D There is imperfect information in the market.

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362 – (9708/12_Winter_2023_Q7) – *The Price System And The Micro Economy*

A family is willing to pay a maximum of $600, $500 and $400 for air tickets for the mother, father and daughter to attend a wedding in another city. The airline announces a promotional air fare of $450 per ticket, provided at least three tickets are purchased.

What will be the consumer surplus gained by the family if they use the promotional offer?

A $100 **B** $150 **C** $200 **D** $250

363 – (9708/12_Winter_2023_Q8) – *The Price System And The Micro Economy*

After a 10% decrease in a consumer's income, the consumer's demand for a good rises from 100 to 105.

What is the value of the consumer's income elasticity of demand for this good?

A –2.0 **B** –0.5 **C** +0.5 **D** +2.0

364 – (9708/12_Winter_2023_Q9) – *The Price System And The Micro Economy*

In 2010, poor harvests reduced fruit crops and furniture producers gave big discounts on furniture products.

How might these changes have affected the position of the supply curve for the products?

	fruit	furniture producers
A	no change	shift to the left
B	shift to the left	no change
C	shift to the left	shift to the left
D	shift to the right	no change

365 – (9708/12_Winter_2023_Q12) – *The Price System And The Micro Economy*

The equation for the quantity demanded, Q_D, for a product is

$$Q_D = 400 - 20P$$

where P = price in $. The quantity supplied, Q_S, is given by $Q_S = 100 + 40P$.

Which change will occur if the price rises from $5 to $6?

A The market will move from equilibrium to shortage.

B The market will move from equilibrium to surplus.

C The market will move from shortage to surplus.

D The market will move from surplus to shortage.

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366 – (9708/12_Winter_2023_Q13) – *The Price System And The Micro Economy*

What is the most likely cause of the continuous increase in prices of famous paintings by now dead artists?

A the increasing technological ability to copy famous paintings perfectly

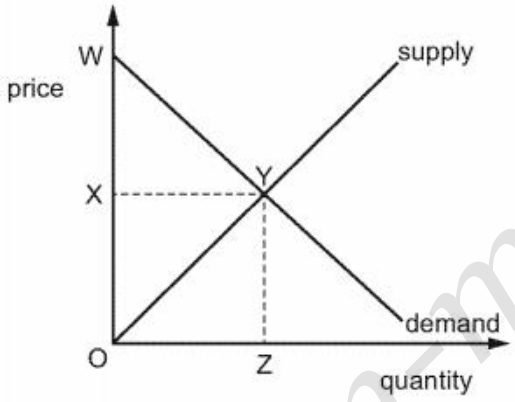
B the popular view that famous paintings are an appreciating asset

C the totally inelastic supply of famous paintings by dead artists

D the wish of governments to treat art galleries as merit goods

367 – (9708/13_Winter_2023_Q5) – *The Price System And The Micro Economy*

The diagram shows the market for computers in Pakistan.



Which areas represent consumer surplus and consumer expenditure?

	consumer surplus	consumer expenditure
A	WXY	OXY
B	WXY	OXYZ
C	WYO	OXYZ
D	WYO	OYZ

368 – (9708/13_Winter_2023_Q6) – *The Price System And The Micro Economy*

The supply curve for a firm is a horizontal straight line.

What can be concluded from this statement?

A Quantity supplied is infinite at the given price.

B Quantity supplied is infinite below the given price.

C Quantity supplied remains constant at all prices.

D Quantity supplied is perfectly inelastic.

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369 - (9708/13_Winter_2023_Q7) - *The Price System And The Micro Economy*

When the incomes of consumers of good X fall by 5%, under which conditions will the demand curve shift furthest to the right?

	nature of good X	income elasticity of demand for good X
A	inferior good	–0.8
B	inferior good	–1.2
C	normal good	+0.9
D	normal good	+1.5

370 - (9708/13_Winter_2023_Q8) - *The Price System And The Micro Economy*

Good P and good Q are substitutes. There is a decrease in supply of good P because of a shortage of materials.

Which row describes what will happen to demand?

	good P	good Q
A	contraction	extension
B	contraction	shift to right
C	shift to left	shift to left
D	shift to left	shift to right

371 - (9708/13_Winter_2023_Q9) - *The Price System And The Micro Economy*

The pressure to reduce the use of fossil fuels has led to oil companies reducing the level of investment in the exploration of new reserves.

What will be the long-run effect of such a policy on the market for oil?

	market change	price change
A	upward movement along the demand curve	price decreases
B	downward movement along the demand curve	price increases
C	supply shifts to the left	price increases
D	supply shifts to the left	price decreases

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372 – (9708/13_Winter_2023_Q10) – *The Price System And The Micro Economy*

The price elasticity of demand for a product is –0.6.

The supplier wants to clear all surplus stock of a product and reduces the price of a good by 50%.

What is the effect of this price change on the quantity purchased and the expenditure on the good?

	quantity demanded	expenditure
A	rises by 30%	falls
B	rises by 30%	rises
C	rises by 60%	falls
D	rises by 60%	rises

373 – (9708/13_Winter_2023_Q11) – *The Price System And The Micro Economy*

A firm is producing 100 units at a price of $10. The price elasticity of supply is 0.5 and the price is raised to $12.

What is the new level of output?

A 75 **B** 110 **C** 125 **D** 150

374 – (9708/13_Winter_2023_Q12) – *The Price System And The Micro Economy*

In a town, bus fares fall by 50% and this leads to an increase in bus use by 30%. The effect on car use is very low with only a 1% reduction.

What is the value of the cross-elasticity of demand between car travel and bus travel?

A –0.60 **B** –0.02 **C** +0.02 **D** +0.60

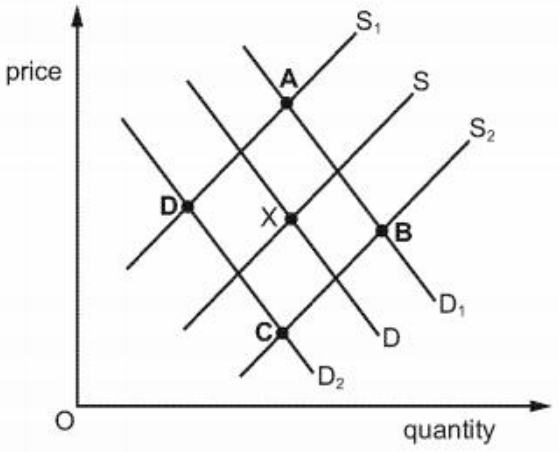
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375 – (9708/13_Winter_2023_Q13) – *The Price System And The Micro Economy*

In the diagram, the demand and supply curves for wheat in Australia are shown. Initial equilibrium is at X. The government imposes a sales tax on wheat at the same time as increasing the rate of income tax.

Which point could represent the new equilibrium?



376 – (9708/13_Winter_2023_Q14) – *The Price System And The Micro Economy*

A free market is currently experiencing excess supply at a price of P_1.

What will be the effect on the current market situation if a maximum price is set above P_1?

A The excess supply will increase.

B The market will move into an equilibrium position.

C There will be no effect.

D There will be excess demand.

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1 – (9708/12_Summer_2017_Q11) – *Government Microeconomic Intervention*

A local government is deciding whether to increase parking charges and provide more lanes for bus use only.

One official said that the increase in parking charges should cause more bus travel.

A second official said that an increase in the frequency of bus services will not cause demand for bus travel to rise.

Are these official statements correct or incorrect?

	first statement	second statement
A	correct	correct
B	correct	incorrect
C	incorrect	correct
D	incorrect	incorrect

2 – (9708/11_Summer_2017_Q12) – *Government Microeconomic Intervention*

A government imposes a specific indirect tax on a product.

When will the tax cause the greatest reduction in consumer surplus for the buyers of the product?

A The product has price elastic demand and price elastic supply.

B The product has price elastic demand and price inelastic supply.

C The product has price inelastic demand and price elastic supply.

D The product has price inelastic demand and price inelastic supply.

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3 – (9708/11_Summer_2017_Q13) – *Government Microeconomic Intervention*

The table shows the maximum amount three students would each be willing to pay for a taxi to take them home from a nightclub.

	$
Jane	10.00
Sara	8.00
Yasmin	6.00

Assume they share the taxi fare as shown in the table below.

Which shows how much they each should pay so that they each obtain the same consumer surplus?

	Jane $	Sara $	Yasmin $
A	2.00	4.00	6.00
B	4.00	4.00	4.00
C	5.00	4.00	3.00
D	6.00	4.00	2.00

4 – (9708/11_Summer_2017_Q14) – *Government Microeconomic Intervention*

A government fixes a minimum price for a service.

What will be the outcome of such a policy?

A Demand will fall if the minimum price is below the equilibrium price.

B Demand will rise if the minimum price is above the equilibrium price.

C Production will fall if the minimum price is above the equilibrium price.

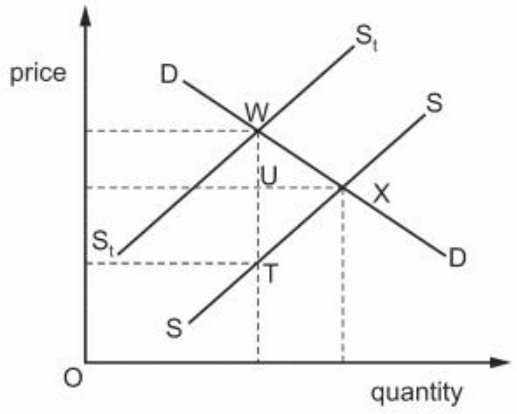
D Production will stay the same if the minimum price is below the equilibrium price.

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5 – (9708/12_Summer_2017_Q14) – *Government Microeconomic Intervention*

A specific tax is placed on the sale of bottles of lemonade. In the diagram, SS is the supply curve before imposition of the tax and S_tS_t is the supply curve after tax.

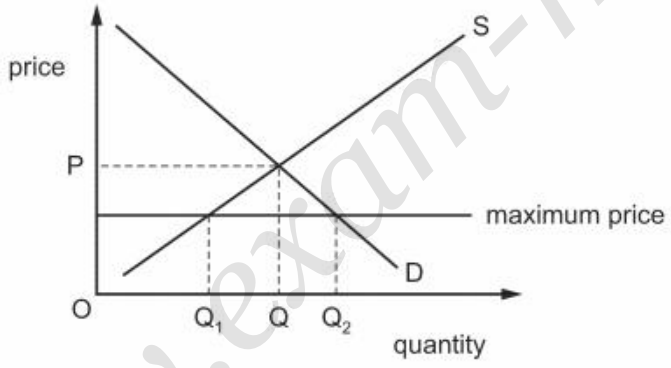


Which distance represents the specific tax on each bottle?

A UT **B** WT **C** WU **D** WX

6 – (9708/13_Summer_2017_Q14) – *Government Microeconomic Intervention*

The diagram shows a market subject to a maximum price.



What will happen if the maximum price is removed?

A There will be allocation by a queuing system.

B There will be allocation by government rationing.

C There will be allocation by seller's preference.

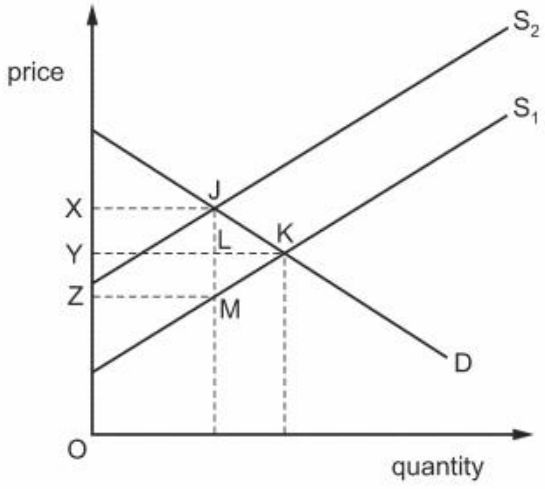
D There will be allocation by the price system.

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7 – (9708/11_Summer_2017_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

The diagram illustrates the effects of placing a specific tax equal to JM on a good.



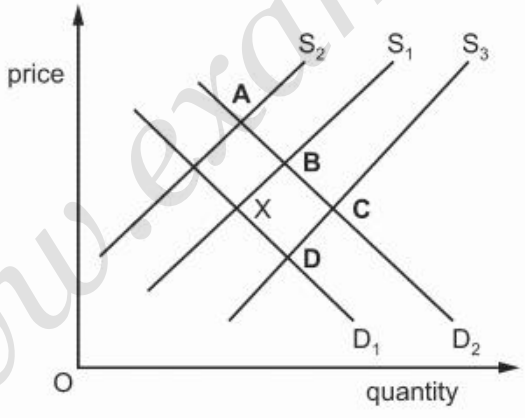
Which area represents total tax receipts?

A JKM **B** XJKY **C** XJLY **D** XJMZ

8 – (9708/12_Summer_2017_Q15) – *Government Microeconomic Intervention*

A market is in equilibrium at point X. The government then subsidises both consumers and producers by direct payments.

What will be the new equilibrium position?

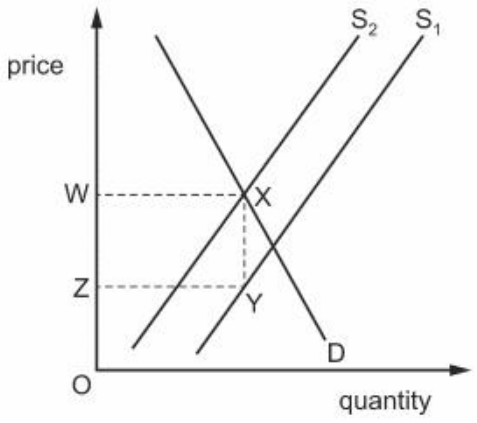


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9 – (9708/13_Summer_2017_Q15) – *Government Microeconomic Intervention*

The diagram illustrates the effect of a government action that shifts S_1 to S_2.



What does the area of the rectangle WXYZ represent?

A the consumer tax burden

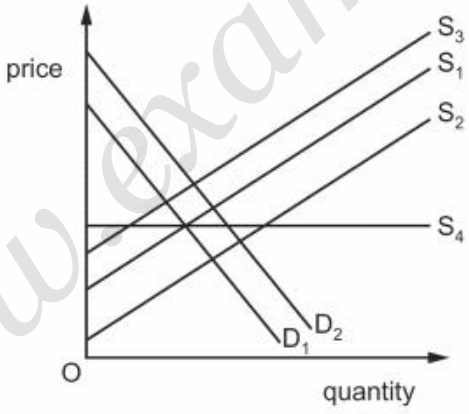
B the government tax revenue

C the government subsidy payment

D the producer subsidy income

10 – (9708/11_Summer_2017_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

The diagram shows the demand curve, D_1, and the supply curve, S_1, for a good.



The government decides to pay producers a specific subsidy for each unit supplied to the market.

Which curve shows the new effective demand or supply curve?

A D_2 **B** S_2 **C** S_3 **D** S_4

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11 – (9708/12_Summer_2017_Q16) – *Government Microeconomic Intervention*

Which is a transfer payment?

A an annual allowance paid by an individual to a grandchild

B a one-off bonus paid to an employee for a special contribution to a firm's profits

C a payment made by a parent to a regular child-minder

D the monthly salary of an employee of a local authority

12 – (9708/13_Summer_2017_Q16) – *Government Microeconomic Intervention*

The table shows the demand and supply schedules for a product before and after the government pays a subsidy of $4 per unit to the producers.

price ($)	quantity demanded (units)	quantity supplied before subsidy (units)	quantity supplied after subsidy (units)
6	140	60	100
8	120	80	120
10	100	100	140
12	80	120	160
14	60	140	180

What is the total government spending on the subsidy?

A $240 **B** $400 **C** $480 **D** $960

13 – (9708/11_Summer_2017_Q17) – *Government Microeconomic Intervention*

Planned government expenditure for the UK in the fiscal year 2016 is estimated at £760 billion. The top five areas of expenditure are given in the table.

	£ billion
pensions	153
healthcare	138
welfare	111
education	89
defence	45
total top five	536

What is the total amount spent on transfer payments shown in the table?

A £89 billion **B** £111 billion **C** £264 billion **D** £536 billion

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14 – (9708/12_Summer_2017_Q17) – *Government Microeconomic Intervention*

What is an example of direct public provision of goods and services?

A a charity hospital funded by public donations that offers free treatment to the rural poor

B a mobile government library that travels to rural villages offering access to books

C a pharmacy in a local shopping centre that provides treatment direct to the public

D a private school that offers free places to children of low income families

15 – (9708/13_Summer_2017_Q17) – *Government Microeconomic Intervention*

Which government transaction is a transfer payment?

A a fee paid for a service supplied by government

B a payment to a private firm for goods supplied to the government

C a pension paid to a former government employee

D a salary payment to a government tax official

16 – (9708/11_Summer_2017_Q18) – *Government Microeconomic Intervention*

What is likely to occur when the government privatises public sector monopolies?

A Consumer choice will increase.

B Employment will increase in the short run.

C Innovation will be discouraged.

D The production of public goods will increase.

17 – (9708/12_Summer_2017_Q18) – *Government Microeconomic Intervention*

What would supporters of a nationalised public transport service expect to be the most likely outcome from the privatisation of train and bus services?

A fewer destinations served by trains and buses

B lower fares

C more frequent services to all destinations

D more people employed in public transport services

18 – (9708/13_Summer_2017_Q18) – *Government Microeconomic Intervention*

Following deregulation, state-owned enterprises in an economy are to be privatised.

What is least likely to result?

A Private companies will put customer needs before profits.

B Private companies will raise their own share capital.

C The level of incentive for the enterprises will rise.

D The number of companies will increase.

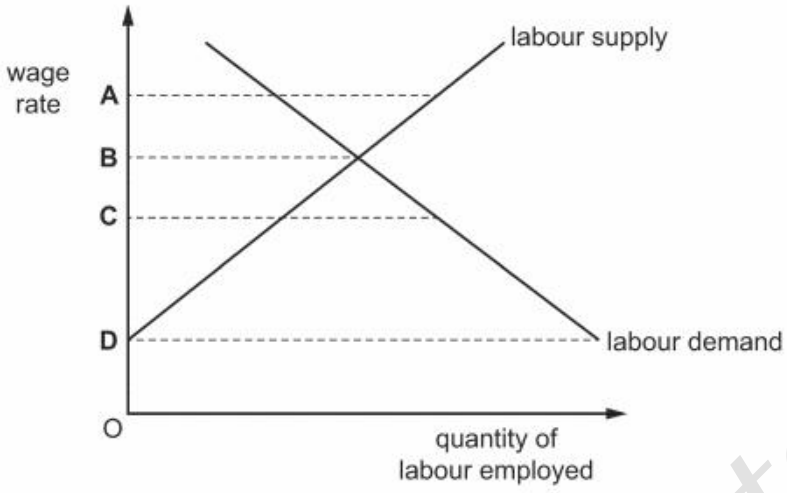
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19 – (9708/11_Winter_2017_Q14) – *Government Microeconomic Intervention*

The diagram shows the market for labour.

At which level would an effective minimum wage rate have to be set?



20 – (9708/12_Winter_2017_Q14) – *Government Microeconomic Intervention*

After a series of poor harvests, a government imposes an effective maximum price on cereals.

What would be a consequence of this policy?

A Both rich and poor people would satisfy their demands equally.

B Illegal buying and selling through a black market would be prevented.

C Rationing would be necessary to ensure a fair distribution of cereals.

D The market would fail to clear leaving a surplus of cereals.

21 – (9708/13_Winter_2017_Q14) – *Government Microeconomic Intervention*

A government has introduced an effective maximum price on rice.

Which combination of changes must cause an existing shortage of rice to increase the most?

A a fall in the maximum price and a less price-elastic supply

B a fall in the maximum price and a more price-elastic supply

C a rise in the maximum price and a less price-elastic supply

D a rise in the maximum price and more price-elastic supply

22 – (9708/11_Winter_2017_Q15) – *Government Microeconomic Intervention*

What is an accurate statement about a production subsidy?

A It causes demand for the good to increase so the demand curve shifts to the right.

B It enables firms to supply more so the supply curve shifts to the left.

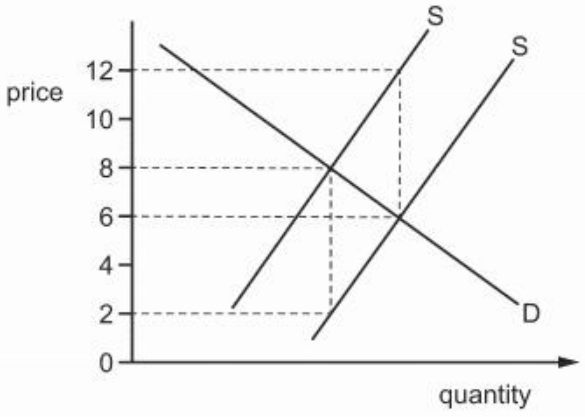
C It is financial assistance to firms from the government to help increase output.

D It is money taken from firms by the government to reduce harmful side effects of production.

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23 – (9708/12_Winter_2017_Q15) – *Government Microeconomic Intervention*

The diagram shows the demand and supply curves of a commodity before and after a specific tax is removed.

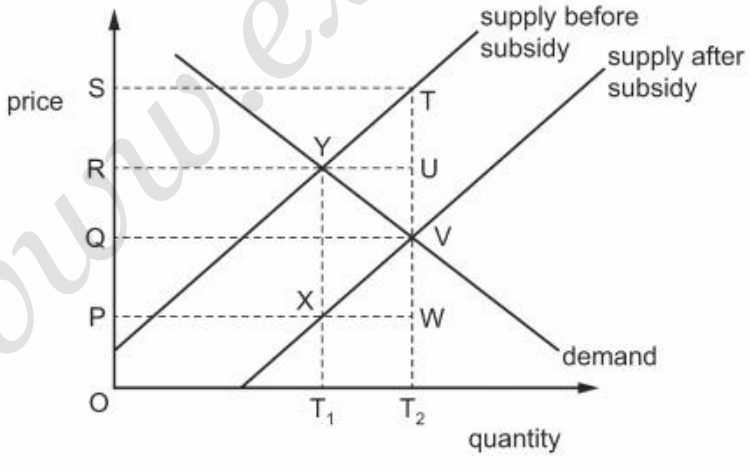


What is the tax per unit of output and what is the price after the removal of the tax?

	tax per unit	price after the removal of the tax
A	6	6
B	6	8
C	4	6
D	4	8

24 – (9708/13_Winter_2017_Q15) – *Government Microeconomic Intervention*

The diagram shows the market for a product before and after the introduction of a subsidy.



Which area represents the total amount paid in subsidies?

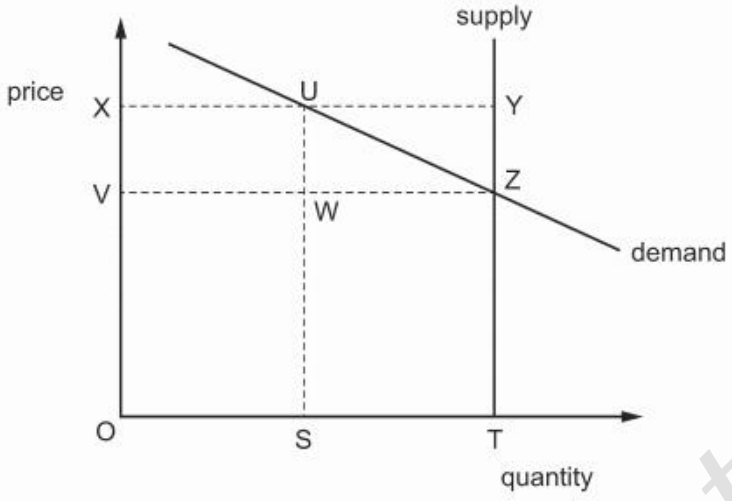
A PRYX **B** QRUV **C** QSTV **D** RSTU

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25 – (9708/11_Winter_2017_Q16) – *Government Microeconomic Intervention*

The diagram shows the market supply and demand curves for an agricultural product. The government guarantees producers a price of at least OX for their output, but allows the market price to be freely determined by demand and supply.



Which area in the diagram represents the total subsidy payments made by the government to producers?

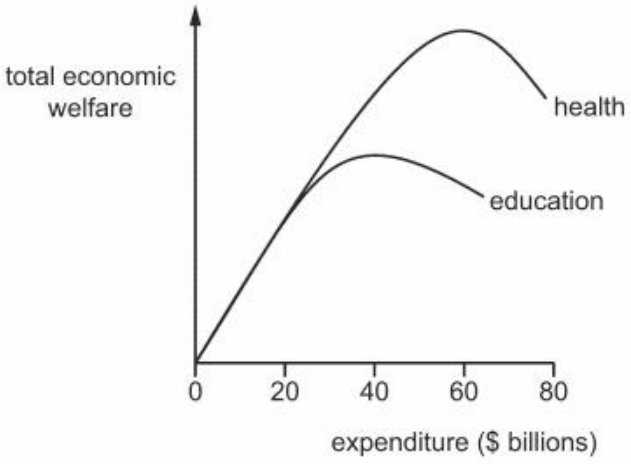
A UYTS **B** UYZW **C** XUWV **D** XYZV

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26 – (9708/13_Winter_2017_Q16) – *Government Microeconomic Intervention*

The graph shows the total economic welfare derived by citizens from a government's expenditure on health and education services.



If the government has $60 billion of its budget to allocate between health and education services, which allocation will give its citizens the highest level of welfare?

	health spending ($ billions)	education spending ($ billions)
A	0	60
B	20	40
C	40	20
D	60	0

27 – (9708/11_Winter_2017_Q17) – *Government Microeconomic Intervention*

How will transfer payments to low-income families, funded by a mix of direct taxation and indirect taxation, affect the total level of consumption?

A The change in the level will be uncertain.

B The level will fall.

C The level will remain unchanged.

D The level will rise.

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28 – (9708/13_Winter_2017_Q17) – *Government Microeconomic Intervention*

The table shows the demand and supply schedules for a good before and after the imposition of a tax.

price ($)	quantity demanded	quantity supplied before tax	quantity supplied after tax
20	340	440	380
19	340	430	340
18	340	410	290
17	340	380	230
16	340	340	160
15	340	290	80
14	340	230	0

What was the tax and the price change?

	tax ($)	price change ($)
A	3	2
B	3	3
C	4	3
D	4	4

29 – (9708/11_Winter_2017_Q18) – *Government Microeconomic Intervention*

The table shows the annual percentage change in the output per worker employed for four nationalised industries before and after privatisation.

nationalised industry	before privatisation	after privatisation
railways	–4%	2%
electricity supply	7%	9%
shipbuilding	4%	–1%
telecommunications	6%	6%

What can be concluded from the table about the effect of privatisation?

A Employment fell in the railway industry.

B Employment was unchanged in the telecommunications industry.

C Output was greatest in the electricity supply industry.

D Workers became less efficient in the shipbuilding industry.

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30 - (9708/12_Winter_2017_Q18) - *Government Microeconomic Intervention*

Health services in an economy are provided by private clinics that charge high fees. The government decides health services should be provided for everyone, not based on ability to pay.

Which direct action should it take?

A Build government clinics to compete in the market.

B Close private clinics where provision by the market is inadequate.

C Increase the taxes on profits made by private clinics.

D Nationalise private clinics and remove charging.

31 - (9708/13_Winter_2017_Q18) - *Government Microeconomic Intervention*

Which action by a government would **not** be regarded as a form of privatisation?

A the contracting out of the provision of public sector services to private sector firms

B the deregulation of public sector industries to allow the entry of private sector firms

C the payment of subsidies from the public sector to private sector firms

D the sale of shares in a public sector corporation to the private sector

32 - (9708/12_Winter_2017_Q20) - *Government Microeconomic Intervention*

The table shows the retail prices index for four countries for years 2 and 3.
(Year 1 index = 100 for all countries.)

Which country had a higher rate of inflation in year 2 than year 3?

country	year 2 index	year 3 index
A	100	115
B	110	132
C	120	144
D	130	150

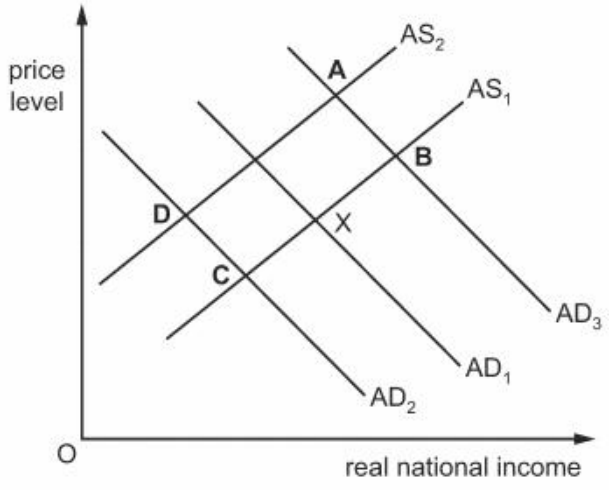
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33 – (9708/11_Winter_2017_Q28) – *Government Microeconomic Intervention, The Macro Economy*

The government of a country plans to cut income tax rates. The initial equilibrium for the country is represented by point X on the diagram.

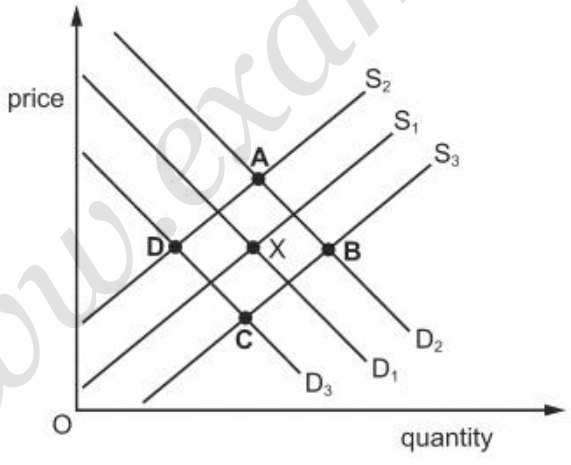
Which new equilibrium point would an economist predict as the result?



34 – (9708/12_Summer_2018_Q9) – *Government Microeconomic Intervention*

The diagram shows S_1 and D_1, the original supply and demand curves for fast food in an economy. Point X is the original equilibrium. Fast food is an inferior good.

What would be the new equilibrium position following a tax imposed on fast food and a fall in real income?



35 – (9708/13_Summer_2018_Q11) – *Government Microeconomic Intervention*

In which set of circumstances will prices play no part in determining how resources are allocated between alternative uses but may still have a role as a rationing mechanism?

A The government sets maximum prices for all goods above their market clearing price.

B The government sets minimum wages for all workers below the market rates of pay.

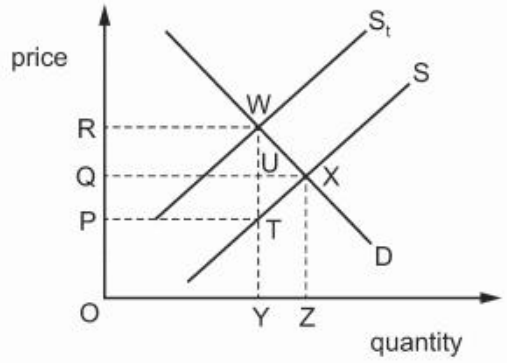
C The quantities of consumer goods produced are determined by the government.

D The total income consumers have available to spend is fixed by the government.

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36 – (9708/11_Summer_2018_Q12) – *Government Microeconomic Intervention*

A specific tax is placed upon each bottle of perfume sold. In the diagram, S is the supply curve before tax and S_t is the supply curve after tax.



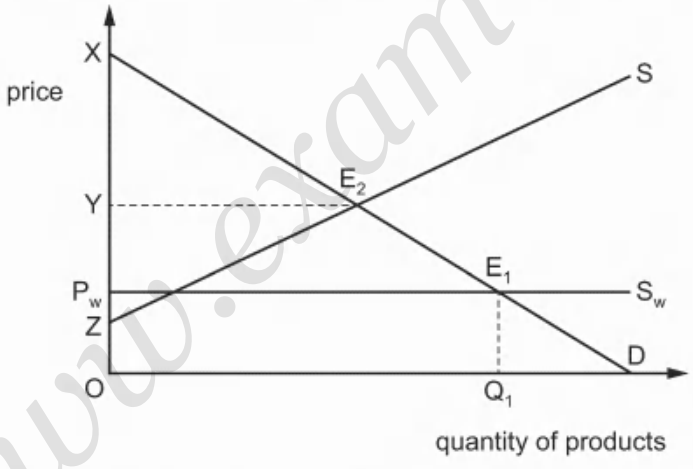
Which area represents the revenue received by the government from the tax?

A ORWY **B** PQUT **C** PRWT **D** QRWU

37 – (9708/12_Summer_2018_Q13) – *Government Microeconomic Intervention*

In the diagram, D and S represent the domestic demand and supply curves for a product. S_w represents world supply of the product at a world price of P_w. The initial domestic market equilibrium of the product is at E_1.

If foreign trade were to be banned completely, the domestic market equilibrium would be at E_2.



What would be the loss of consumer surplus if all foreign trade were banned?

A P_wXE_1 **B** $P_wYE_2E_1$ **C** YXE_2 **D** ZYE_2

38 – (9708/11_Summer_2018_Q14) – *Government Microeconomic Intervention*

Which statement about maximum and minimum prices is correct?

A With an effective maximum price for a product, a shortage will develop.

B With an effective maximum price for a product, the market price will rise.

C With an effective minimum price for a product, rationing will be necessary.

D With an effective minimum price for a product, the market price will fall.

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39 – (9708/12_Summer_2018_Q14) – *Government Microeconomic Intervention*

A government wishes to impose a tax on a good so that the producer and not the consumer pays most of the tax.

Which type of elasticity would it be best for the good to have to achieve this aim?

A high price elasticity of demand

B low price elasticity of demand

C totally inelastic price elasticity of demand

D unitary price elasticity of demand

40 – (9708/13_Summer_2018_Q14) – *Government Microeconomic Intervention*

The demand and supply functions for a product are quantity demanded = 1500 + 50P and quantity supplied = 300P – 2000 where P = price. With government regulation, the current price in the market is $15.

What can be concluded about the form of price regulation and the balance of demand and supply in the market?

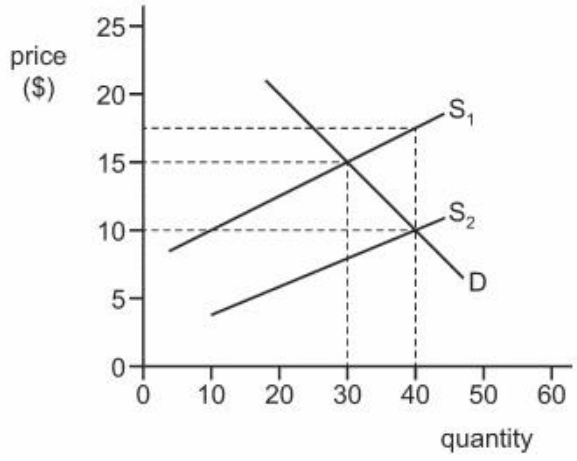
	form of price regulation	balance of demand and supply
A	effective maximum price	excess demand
B	effective maximum price	excess supply
C	effective minimum price	excess demand
D	effective minimum price	excess supply

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41 – (9708/11_Summer_2018_Q15) – *Government Microeconomic Intervention*

The diagram shows the effect on the market for a product of the introduction of a government subsidy.



What is the result of the payment of the subsidy?

A Consumer surplus increases.

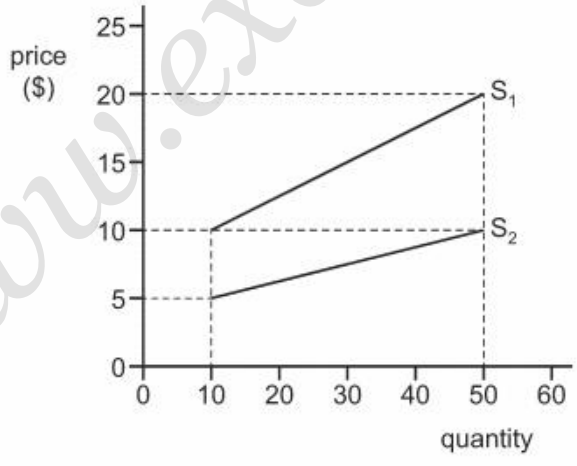
B The price to the consumer halves.

C The subsidy provides over half of producer income.

D Total consumer expenditure on the product increases.

42 – (9708/12_Summer_2018_Q15) – *Government Microeconomic Intervention*

The diagram shows the effect on the supply curve of a product when the government provides a subsidy.



What can be concluded about the nature of the subsidy as the quantity supplied increases?

A It is a falling percentage (%) of the price of each unit.

B It is a fixed percentage (%) of the price of each unit.

C It is a fixed sum on each unit.

D It is a rising percentage (%) of the price of each unit.

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43 – (9708/13_Summer_2018_Q15) – *Government Microeconomic Intervention*

Which element of a tax and benefits system is regressive?

A rent subsidies to tenants of publicly owned housing

B specific taxes on beer and tobacco

C the payment of child benefits to families

D the taxation of capital gains

44 – (9708/11_Summer_2018_Q16) – *Government Microeconomic Intervention*

Why are the pensions paid to retired citizens an example of a transfer payment?

A Retired citizens pay no tax on their pensions.

B Retired citizens produce no output for their pensions.

C Retired citizens save some of their pensions.

D Retired citizens spend all of their pensions.

45 – (9708/12_Summer_2018_Q16) – *Government Microeconomic Intervention*

What is **not** an example of a transfer payment?

A pocket money from parents

B private donations to charities

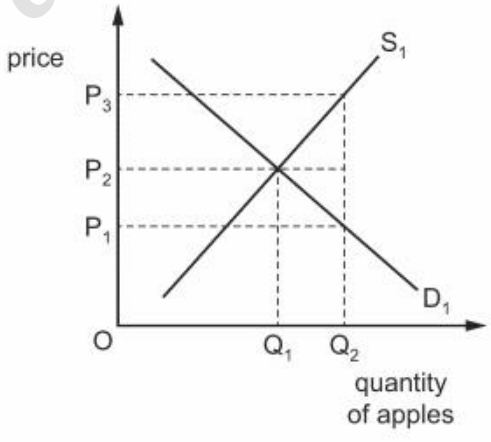
C salary paid to a teacher in a government school

D unemployment benefit

46 – (9708/13_Summer_2018_Q16) – *Government Microeconomic Intervention*

A government decides to encourage apple consumption as a report states that eating apples is good for health. It subsidises apple growers.

The diagram shows the market for apples.



What would the subsidy need to be to change the market equilibrium quantity from Q_1 to Q_2?

A OP_1 **B** P_1P_2 **C** P_1P_3 **D** P_2P_3

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47 – (9708/11_Summer_2018_Q17) – *Government Microeconomic Intervention*

What is definitely a feature of a nationalised industry?

A Consumers are not charged a price for its product.

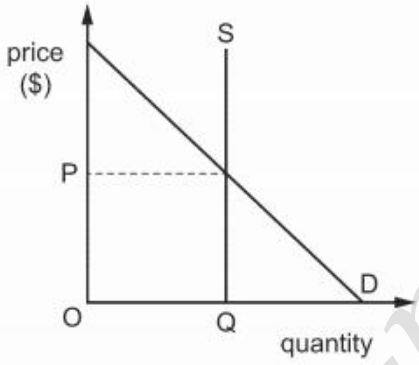
B No profit is made from supplying its product.

C The government owns the industry's capital.

D There is no competition in the market for its product.

48 – (9708/12_Summer_2018_Q17) – *Government Microeconomic Intervention*

In 2016–2017 a government spent $135 billion on the health service. The diagram shows the provision of healthcare in that country.



What can we deduce about healthcare provision in the country if it were provided at zero price?

A At price P the benefits to society are maximised.

B It is non-rival in consumption.

C It is unlimited in supply due to government funding.

D It will need rationing as it will be overconsumed.

49 – (9708/13_Summer_2018_Q17) – *Government Microeconomic Intervention*

What is **not** a transfer payment?

A benefit payments by governments to families who have children

B disability benefits paid to soldiers who were injured while on military service

C loans made by a government to students who are studying at university

D payments by a firm to compensate employees for undertaking dangerous work

50 – (9708/11_Summer_2018_Q18) – *Government Microeconomic Intervention*

Which government action would be identified as the direct provision of goods and services?

A increasing road maintenance because of poor weather conditions

B making payments to low-income families with elderly dependants

C subsidising firms in order to encourage them to increase their output

D taxing firms because they have been emitting damaging fumes

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51 – (9708/12_Summer_2018_Q18) – *Government Microeconomic Intervention*

A government privatises the telecommunications industry.

What is least likely to increase?

A choice of telecommunications services for consumers

B development of new telecommunications products

C employment in the telecommunications industry

D productivity in the supply of telecommunications

52 – (9708/13_Summer_2018_Q18) – *Government Microeconomic Intervention*

A government allows one firm to go out of business, takes over a second firm, and encourages a foreign government to invest heavily in a third firm.

Which government action has occurred?

	nationalisation	privatisation
A	✓	✓
B	✓	✗
C	✗	✓
D	✗	✗

key

✓ = occurred

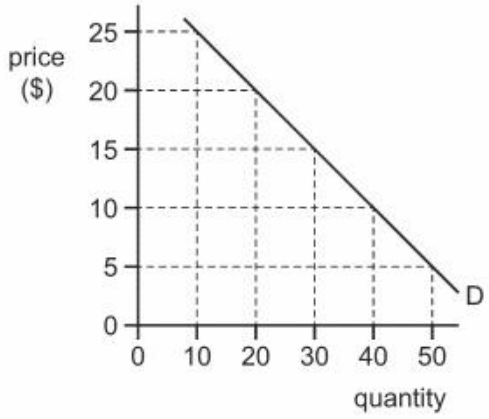
✗ = not occurred

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53 – (9708/13_Winter_2018_Q6) – *Government Microeconomic Intervention*

The diagram shows the demand for a product for which there are only three buyers, Freeman, Hardy and Willis.



The table shows the demand from two of the three buyers.

price ($)	Freeman's demand	Hardy's demand
10	24	6
15	15	5
20	6	4

Which statement about the demand for the product from Willis is correct?

A It has unitary price elasticity of demand.

B It is a downward-sloping straight-line demand curve.

C It is a perfectly elastic demand curve.

D It is a perfectly inelastic demand curve.

54 – (9708/13_Winter_2018_Q7) – *Government Microeconomic Intervention*

Which statement about price elasticity of supply is correct?

A It cannot change in the short run.

B It increases as the time period lengthens.

C It is infinite in the momentary time period.

D It is zero in the long run.

55 – (9708/13_Winter_2018_Q8) – *Government Microeconomic Intervention*

At a price of $4 a manufacturer supplies 20 units of a good per week. The value of the price elasticity of supply is 2 over the range of price.

How many goods will be supplied at $5?

A 10 **B** 25 **C** 30 **D** 40

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56 – (9708/11_Winter_2018_Q9) – *Government Microeconomic Intervention*

The government fixes a minimum price for a product above the current equilibrium price.

Which value for the product's price elasticity of supply will result in the smallest excess supply in its market?

A between zero and one

B greater than one

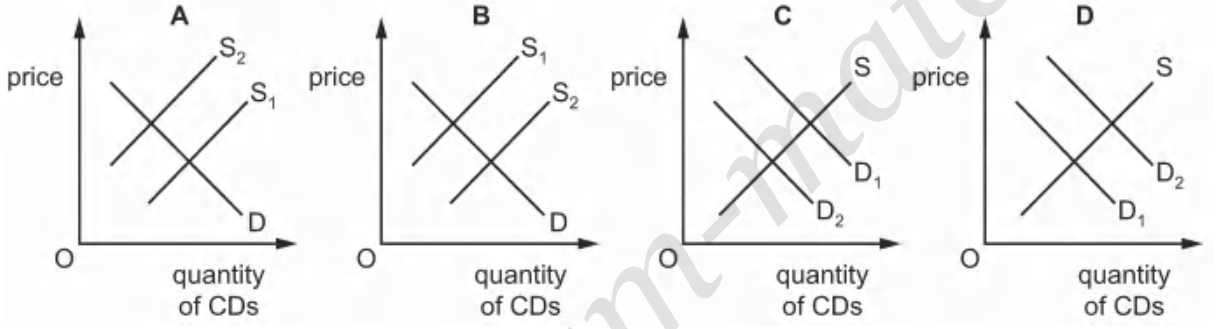
C one

D zero

57 – (9708/13_Winter_2018_Q9) – *Government Microeconomic Intervention*

Consumers wishing to listen to music at home can now access it online. This has resulted in the closure of shops selling music CDs.

How can this be represented on a demand and supply diagram for music CDs?

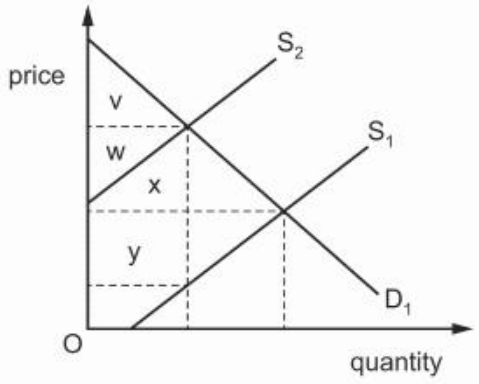


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58 – (9708/13_Winter_2018_Q12) – *Government Microeconomic Intervention*

In the diagram D_1 is the demand curve for Indian tea and S_1 is the initial supply curve.



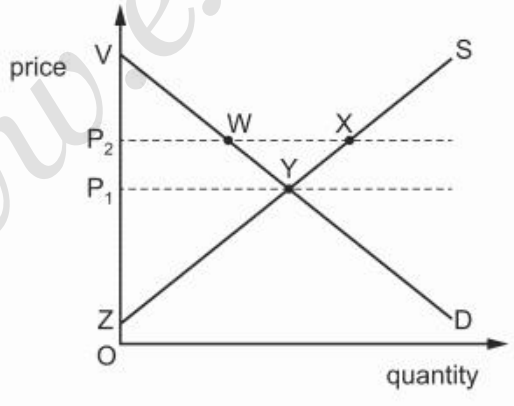
The Indian government imposes a tax on tea, which causes the supply curve to shift to S_2.

Which areas in the diagram measure the resulting tax revenue to the Indian government and the new producer surplus?

	tax revenue	new producer surplus
A	w + x	v
B	w + x	w
C	w + x + y	v
D	w + x + y	w

59 – (9708/13_Winter_2018_Q13) – *Government Microeconomic Intervention*

The diagram shows the supply and demand curve for bananas.



What happens to consumer surplus when the price increases from P_1 to P_2?

A It decreases by P_2VW.

B It decreases from P_1VY to P_2VW.

C It increases by WXY.

D It increases from P_1YZ to P_2WYZ.

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60 – (9708/12_Winter_2018_Q14) – *Government Microeconomic Intervention*

The government fixes a maximum price for wheat flour below the market equilibrium price.

After the maximum price is imposed, which statement is **not** correct?

A Producers' revenue is increased.

B Some consumers may encourage illegal sales.

C The quantity supplied of flour will decrease.

D There will be an excess demand for flour.

61 – (9708/13_Winter_2018_Q14) – *Government Microeconomic Intervention*

A ……1…… price set below the market equilibrium will cause a ……2…… of the product, and a ……3…… price set above the market equilibrium will cause a ……4…… of the product.

Which words complete gaps 1, 2, 3 and 4?

	1	2	3	4
A	maximum	shortage	minimum	surplus
B	maximum	surplus	minimum	shortage
C	minimum	shortage	maximum	surplus
D	minimum	surplus	maximum	shortage

62 – (9708/11_Winter_2018_Q15) – *Government Microeconomic Intervention*

A government decreases the tax rate on goods and services and increases the tax rate on incomes.

What is the likely outcome on the distribution of income and the incentive to work?

	distribution of income	incentive to work
A	less equal	decreased
B	less equal	increased
C	more equal	decreased
D	more equal	increased

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63 – (9708/12_Winter_2018_Q15) – *Government Microeconomic Intervention*

The income tax structure of a country has two elements.

1 The first $20 000 of earned income is not taxed.

2 Any income earned above $20 000 is taxed at 20%.

What would be a correct description of this tax structure?

A a progressive tax on incomes of more than $20 000

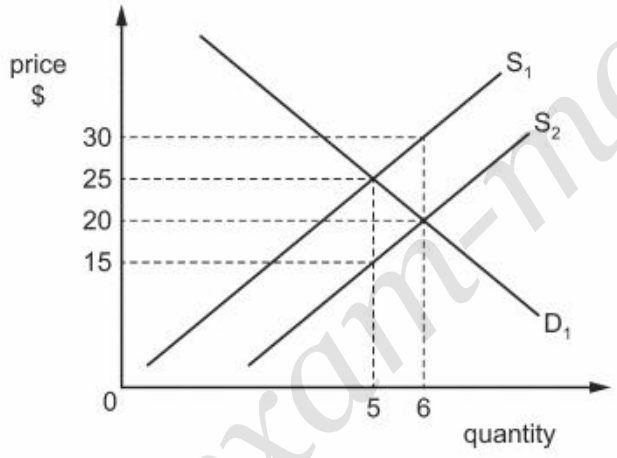
B a progressive tax throughout the whole income range

C a proportional tax on incomes of more than $20 000

D a regressive tax throughout the whole income range

64 – (9708/13_Winter_2018_Q15) – *Government Microeconomic Intervention*

The diagram shows the original demand curve D_1 and original supply curve S_1 for a good.



The government introduces a subsidy.

What will be the total consumer spending after the introduction of the subsidy?

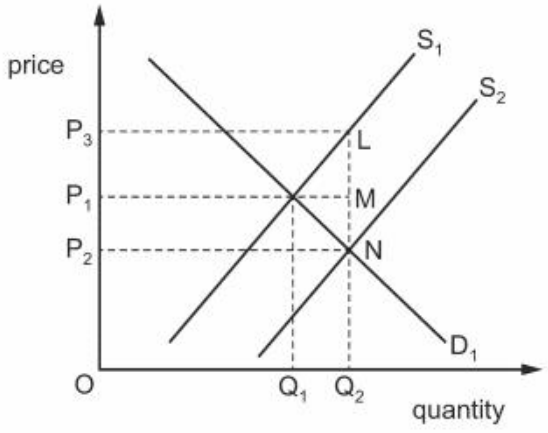
A $75 **B** $120 **C** $125 **D** $180

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65 – (9708/11_Winter_2018_Q16) – *Government Microeconomic Intervention*

The diagram shows the equilibrium price, P_1, and quantity bought and sold, Q_1, in a market before a subsidy is granted.



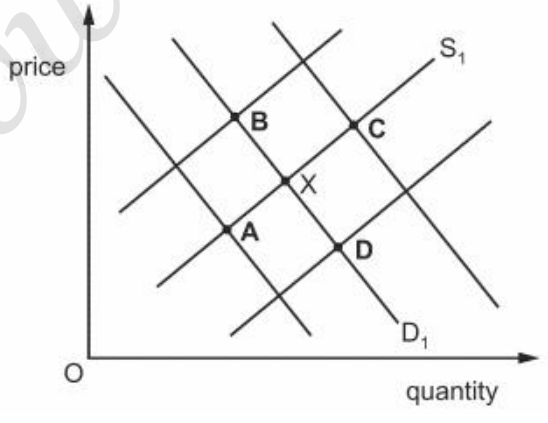
What represents the producer incidence (benefit) after the subsidy is granted and what is government expenditure on the subsidy?

	producer incidence (benefit)	government expenditure
A	P_1P_2NM	P_1P_2NM
B	P_1P_2NM	P_3P_2NL
C	P_1P_3LM	P_1P_3LM
D	P_1P_3LM	P_3P_2NL

66 – (9708/12_Winter_2018_Q16) – *Government Microeconomic Intervention*

In 2014 Egypt reduced subsidies on fossil fuels such as gasoline and diesel.
The diagram shows the initial equilibrium at point X.

What will be the new equilibrium after the reduction of subsidies?



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67 – (9708/13_Winter_2018_Q16) – *Government Microeconomic Intervention*

Which is a transfer payment?

A dividends paid to private shareholders

B income paid to civil servants

C pensions paid to retired people

D rent paid to landlords

68 – (9708/11_Winter_2018_Q17) – *Government Microeconomic Intervention*

When is a transfer payment most likely to be an individual's main source of income?

A when employed

B when investing

C when saving

D when unemployed

69 – (9708/12_Winter_2018_Q17) – *Government Microeconomic Intervention*

What is an aim of a transfer payment?

A It allows the government to alter the final distribution of income.

B It provides a ceiling for levels of income across the economy.

C It removes the need for state subsidies.

D It rewards the activity of a factor of production.

70 – (9708/11_Winter_2018_Q18) – *Government Microeconomic Intervention*

Which argument is used to justify a policy of nationalisation?

A A firm exposed to market forces is more likely to be efficient.

B It avoids the wasteful duplication of resources.

C The stock market can exert effective discipline on the industry.

D There are benefits from wider share ownership.

71 – (9708/12_Winter_2018_Q18) – *Government Microeconomic Intervention*

There have been recent calls for the UK government to nationalise its railways.

What would **not** be a reason for nationalising the railways?

A Private rail companies often charge high ticket prices.

B Private rail companies may exploit monopoly power.

C Railways are an essential part of national infrastructure.

D Railways should be treated as a public good.

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72 – (9708/13_Summer_2019_Q4) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

'The local government of Tokyo should use a policy of taxation to reduce traffic congestion in the city centre.'

What can be concluded about this statement and the type of economic policy?

	statement	type of policy
A	normative	macro
B	normative	micro
C	positive	macro
D	positive	micro

73 – (9708/12_Summer_2019_Q14) – *Government Microeconomic Intervention*

Which of the following is a transfer payment?

A the advertising expenditure of a firm

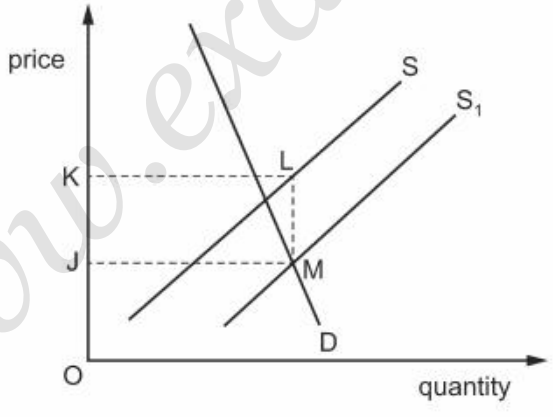
B the allowance given by a parent to their child while at school

C the rent paid to a land owner by a tenant farmer

D the wage paid to a worker in the government service

74 – (9708/13_Summer_2019_Q14) – *Government Microeconomic Intervention*

The diagram shows the effect on the market for rice of a change in government policy that causes a shift in the supply curve from S to S_1.



What does the area JKLM represent?

A the cost to the government of a subsidy to rice growers

B the extra saving to importers of the removal of a tariff on rice

C the increase in consumer surplus from the introduction of a maximum price for rice

D the loss in government revenue from the reduction in a lump sum tax on rice

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75 - (9708/11_Summer_2019_Q15) - *Government Microeconomic Intervention*

An economy has a 20% housing shortage. The government builds 10% more houses for poorer families and fixes the rent below the equilibrium for the market.

Which effect will this direct provision have on the market?

A A greater imbalance in the market in private housing will develop.

B Housing waiting lists for poorer families will be cleared.

C The supply of government housing will fall short of demand.

D The supply of private housing for rent will fall by 10%.

76 - (9708/12_Summer_2019_Q15) - *Government Microeconomic Intervention*

Too much sugar causes an increase in a consumer's weight. A government has introduced a 'sugar tax' on the consumption of soft drinks that have a high sugar content.

How might this policy help to reduce the number of overweight people?

A Consumers switch to cheaper brands of soft drink with a high sugar content.

B Consumers switch to other high-sugar substitute goods, such as alcohol or sweets.

C The price elasticity of demand for soft drinks is inelastic.

D The tax revenue is spent on education about the dangers of soft drink consumption.

77 - (9708/13_Summer_2019_Q15) - *Government Microeconomic Intervention*

Which statement is **not** an argument in support of the process of privatisation?

A Private companies are motivated to make the best use of their resources.

B Privatisation allows more firms to enter an industry, increasing competition in the market.

C Privatisation can create companies that exploit the consumer.

D Selling state-owned assets to the private sector raises significant revenue for the government.

78 - (9708/12_Summer_2019_Q16) - *Government Microeconomic Intervention*

A government intends to introduce a minimum price for rice, a maximum price for heating oil and a tax on chewing gum.

Who, in each market, is meant to benefit from these policies?

	market for rice	market for heating oil	market for chewing gum
A	consumers	government	producers
B	government	producers	government
C	producers	producers	consumers
D	producers	consumers	government

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79 – (9708/13_Summer_2019_Q16) – *Government Microeconomic Intervention*

Governments are trying to reduce the burden of transfer payments in economies with an ageing population.

Which policy would help to achieve this aim?

A introducing financial support for university students

B linking pension increases to the consumer price index during inflation

C raising the retirement age

D reducing state pensions to finance an equal rise in unemployment benefit

80 – (9708/11_Summer_2019_Q17) – *Government Microeconomic Intervention*

What is **not** true about subsidies?

A They are paid to firms.

B They have to be paid back.

C They reduce the cost of production.

D They shift the supply curve to the right.

81 – (9708/12_Summer_2019_Q17) – *Government Microeconomic Intervention*

A Southern African government was concerned about the market influence of a large producer and was keen to take control of the company.

What might be the possible result of this?

A an increase in the role of the market

B an increase in public ownership

C an increase in the role of the consumer

D an increase in the amount of competition

82 – (9708/13_Summer_2019_Q17) – *Government Microeconomic Intervention*

Doctors are concerned about the negative health effects of sugary drinks.

When would a tax on sugary drinks be **least** effective in improving health?

A when the demand for sugary drinks is income elastic

B when the demand for sugary drinks is income inelastic

C when the demand for sugary drinks is price elastic

D when the demand for sugary drinks is price inelastic

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83 – (9708/12_Summer_2019_Q18) – *Government Microeconomic Intervention*

What describes a regressive tax?

A All taxpayers pay the same proportion of income in taxes.

B High-income earners pay a lower proportion of income in taxes than low-income earners.

C High-income earners pay less in taxes than low-income earners.

D High-income earners pay more in taxes than low-income earners.

84 – (9708/11_Summer_2019_Q28) – *Government Microeconomic Intervention*

What is most likely to be increased by a policy of increased direct taxes and lower government spending?

A the balance of payments deficit

B the budget deficit

C the rate of inflation

D the level of unemployment

85 – (9708/11_Summer_2019_Q29) – *Government Microeconomic Intervention*

To encourage people to work, a government increases the minimum income level at which people start to pay income tax.

Which types of macroeconomic policy are being followed here?

	fiscal policy	monetary policy	supply side policy
A	✓	✗	✓
B	✗	✓	✓
C	✓	✓	✓
D	✓	✓	✗

86 – (9708/12_Winter_2019_Q10) – *Government Microeconomic Intervention*

A government increased a specific tax on shoes. The resulting increase in the price of shoes was paid mainly by the consumer and not by the producer.

What must be true for this to happen?

A The price elasticity of demand was less than the price elasticity of supply.

B The price elasticity of demand was unitary.

C The price elasticity of supply was less than one.

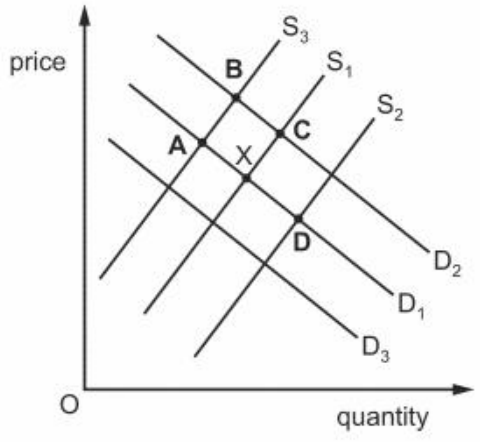
D The price elasticity of supply was inelastic while the price elasticity of demand was elastic.

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87 – (9708/12_Winter_2019_Q11) – *Government Microeconomic Intervention*

The diagram shows supply and demand for a good. The original equilibrium is X.

What will be the new equilibrium if subsidies are given to firms for new machinery?



88 – (9708/13_Winter_2019_Q11) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

A government decides to put a tax on a good.

Which price elasticity conditions would result in most of the tax being paid by the consumer?

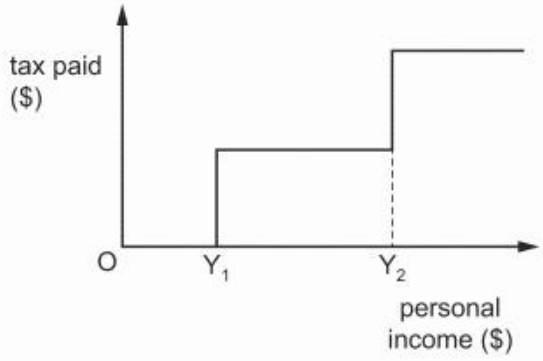
	demand elasticity	supply elasticity
A	elastic	elastic
B	elastic	inelastic
C	inelastic	elastic
D	inelastic	inelastic

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89 – (9708/13_Winter_2019_Q12) – *Government Microeconomic Intervention*

The diagram shows the income tax system adopted by a country.



What are the average and marginal rates of tax as incomes rise from Y_1 towards Y_2?

	average rate of tax	marginal rate of tax
A	constant	constant
B	constant	decreasing
C	decreasing	constant
D	decreasing	decreasing

90 – (9708/13_Winter_2019_Q13) – *Government Microeconomic Intervention*

What is **most** likely to decrease if the government pays a subsidy to the producers of a product?

A government spending

B output of the product

C price of the product

D rates of taxation

91 – (9708/13_Winter_2019_Q14) – *Government Microeconomic Intervention*

The government introduces a new transfer payment, to help people on low incomes afford housing.

What will be the effects of this in the housing market?

	effect on the demand curve	effect on the supply curve
A	a movement along demand	a movement along supply
B	a movement along demand	a shift in supply
C	a shift in demand	a shift in supply
D	a shift in demand	a movement along supply

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92 – (9708/11_Winter_2019_Q15) – *Government Microeconomic Intervention*

Which term is given to an income received by an individual for which there is no corresponding contribution to output?

A profit

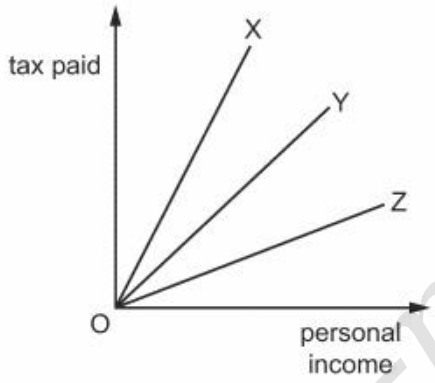
B revenue

C salary

D transfer payment

93 – (9708/12_Winter_2019_Q15) – *Government Microeconomic Intervention*

The diagram shows three possible tax schemes.



What can be concluded about these tax schemes?

A X is more progressive than Z.

B X, Y and Z are all proportional.

C Y is the only proportional tax.

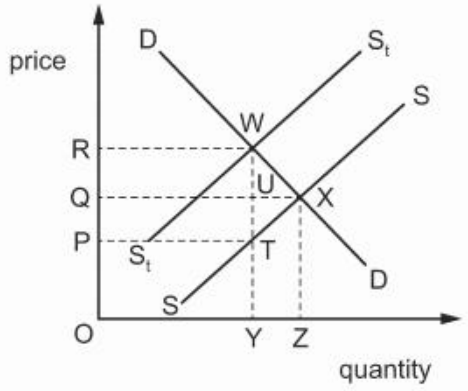
D Z is more regressive than Y.

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94 – (9708/13_Winter_2019_Q15) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

A specific tax is placed upon each bottle of perfume sold. In the diagram, SS is the supply curve before tax, S_tS_t is the supply curve after tax.



Which area represents that part of the tax revenue paid by producers?

A ORWY **B** PQUT **C** PRWT **D** QRWU

95 – (9708/11_Winter_2019_Q16) – *Government Microeconomic Intervention*

A government policy favours older people at the expense of younger people.

Which would be **most** likely to correct such an imbalance?

A an increase in expenditure on government-provided pensions

B an increase in government-subsidised training schemes for school-leavers

C an increase in the rate of income tax on earned incomes

D an increase in the rate of interest on savings

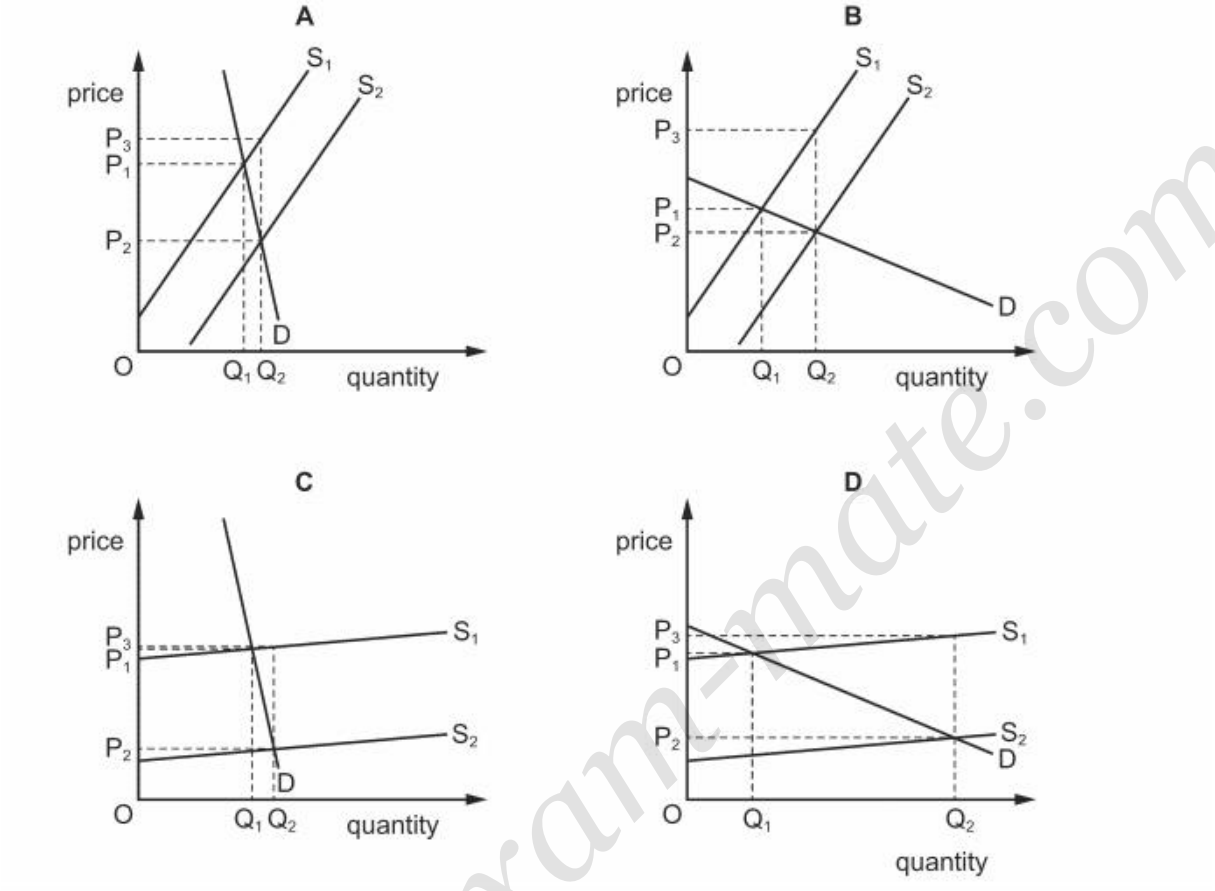
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96 – (9708/13_Winter_2019_Q16) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

In each diagram the initial supply is S_1 and the new supply after subsidy is S_2. The subsidy is identical in each case.

Which diagram shows the greatest incidence of the subsidy on the consumers?



97 – (9708/11_Winter_2019_Q17) – *Government Microeconomic Intervention*

A government gives a subsidy to a producer of a product.

What will be the likely effect of this?

A a shift to the left in the demand curve and a rise in equilibrium quantity

B a shift to the left in the supply curve and a rise in equilibrium quantity

C a shift to the right in the demand curve and a fall in equilibrium price

D a shift to the right in the supply curve and a fall in equilibrium price

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98 – (9708/12_Winter_2019_Q17) – *Government Microeconomic Intervention*

The table identifies items of government annual spending.

	$ million
army pay	35
civil servants' salaries	125
farming subsidies	15
pension payments	75
welfare benefits	50

What is the total government expenditure on transfer payments?

A $50 m **B** $125 m **C** $175 m **D** $300 m

99 – (9708/13_Winter_2019_Q17) – *Government Microeconomic Intervention*

Which statement is **not** correct?

A A progressive tax usually improves the distribution of income.

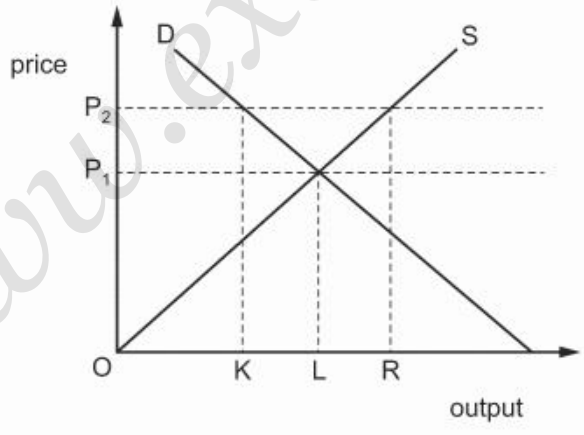
B A regressive tax benefits the rich more than the poor.

C An ad valorem tax causes a parallel shift left of the supply curve.

D Some consumers can avoid paying indirect tax.

100 – (9708/13_Winter_2019_Q18) – *Government Microeconomic Intervention*

The diagram shows the market supply and demand curves for wheat.



What should a government do to maintain a minimum price of OP_2?

A buy quantity KL

B buy quantity KR

C sell quantity LR

D sell quantity KR

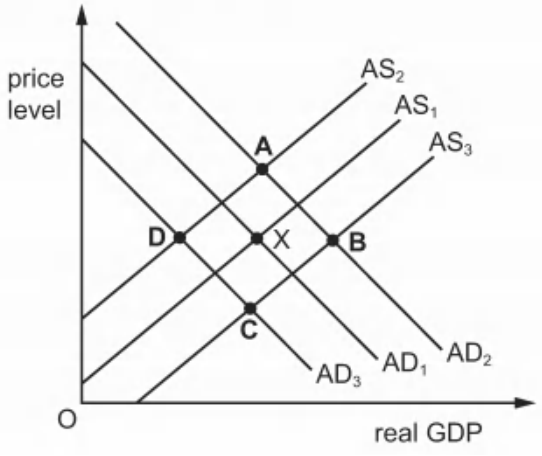
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101 – (9708/13_Winter_2019_Q20) – *The Macro Economy, Government Microeconomic Intervention*

The diagram shows the original aggregate demand curve, AD_1, and the original aggregate supply curve, AS_1. The original equilibrium is at X.

What would be the new equilibrium if there is an increase in private sector investment and an increase in government spending on training courses?



102 – (9708/13_Winter_2019_Q29) – *Government Microeconomic Intervention*

A government reduces the rate of tax firms are charged on their land and buildings.

How is this likely to affect the economy's price level and real output?

	price level	real output
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

103 – (9708/13_Winter_2019_Q30) – *Government Microeconomic Intervention*

A government adopts a more expansionary fiscal policy and a more deflationary monetary policy.

Which combination of changes in policy instruments is consistent with this?

	government expenditure	taxation	interest rate
A	decrease	decrease	decrease
B	decrease	increase	decrease
C	increase	decrease	increase
D	increase	increase	increase

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104 – (9708/12_Summer_2020_Q1) – *Government Microeconomic Intervention*

Which statement is the most valid reason for government intervention in a free market economy?

A Consumers are well informed, making it difficult for producers to make profits.

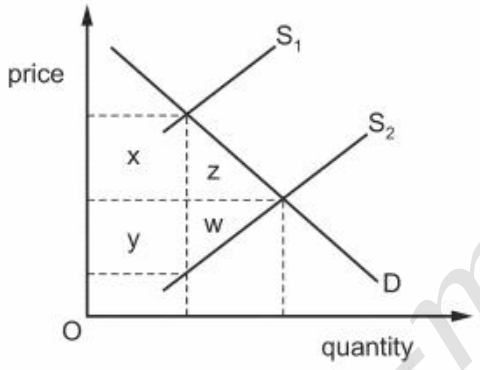
B Health and education are not available in sufficient quantities.

C Producers are motivated only by profit.

D There are many competitive firms and not enough sole suppliers.

105 – (9708/11_Summer_2020_Q6) – *Government Microeconomic Intervention*

In the diagram, D is the demand curve for Indian tea exports and S_1 is the supply curve when there is a tax on tea exports.



The Indian government removes the tax, which causes the supply curve to shift to S_2.

Which areas in the diagram measure the resulting loss in tax revenue to the Indian government and the resulting gain in consumer surplus?

	loss in tax revenue	gain in consumer surplus
A	x	w + y
B	x	x + z
C	x + y	z
D	x + y	x + z

106 – (9708/11_Summer_2020_Q9) – *Government Microeconomic Intervention*

An indirect tax is imposed on a product in a competitive market.

Under which circumstances would the value of the consumer surplus be most likely to remain unchanged?

A New substitutes are developed for the product and production costs rise.

B Some producers merge so there is less competition in the market.

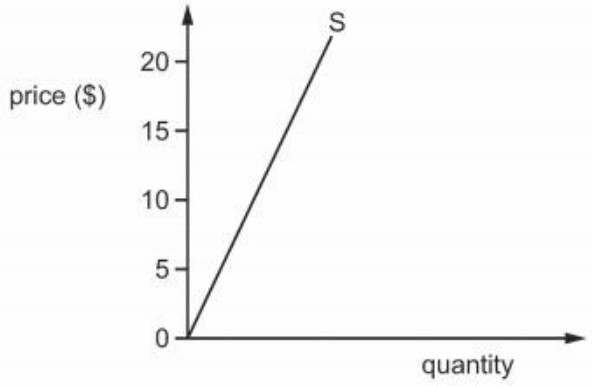
C The product is an inferior good, consumer incomes increase and production costs rise.

D The product is a normal good, consumer incomes increase and production costs fall.

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107 – (9708/12_Summer_2020_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The diagram shows the supply curve of a product.



The government imposes a specific indirect tax of $5 on the product.

How will the price elasticity of supply of the product change?

A from elastic (>1) to inelastic (<1)

B from inelastic (<1) to elastic (>1)

C from inelastic (<1) to unitary (=1)

D from unitary (=1) to elastic (>1)

108 – (9708/12_Summer_2020_Q13) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

In the market for a good the quantity supplied (Q_S) and the quantity demanded (Q_D) are given by $Q_S = P - 30$ and $Q_D = 240 - 2P$ where P = price in dollars.

A change in the tax on the good makes $Q_S = P - 36$.

How will the change affect equilibrium price?

A It will fall by $2.

B It will fall by $6.

C It will rise by $2.

D It will rise by $6.

109 – (9708/11_Summer_2020_Q14) – *Government Microeconomic Intervention*

A specific tax is imposed on a product for which the elasticity of supply is zero.

Which statement is correct?

A The burden of this tax will fall entirely on consumers.

B The burden of this tax will fall entirely on suppliers.

C The burden of this tax will fall mainly on consumers.

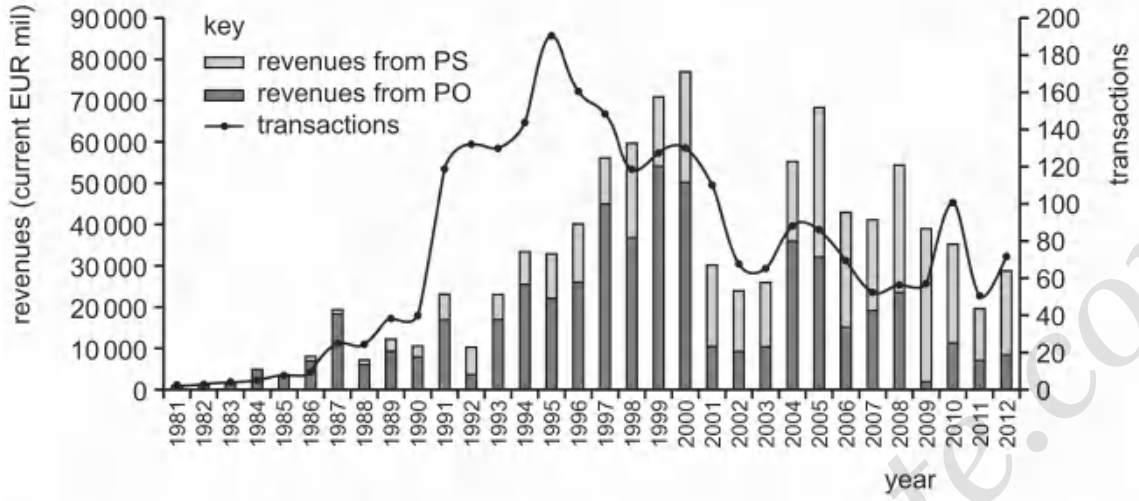
D The burden of this tax will fall mainly on suppliers.

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110 – (9708/12_Summer_2020_Q14) – *Government Microeconomic Intervention*

Privatisation can be achieved by the sale of shares to the general public (public offers, PO) or by the direct sale to a private company (private sales, PS). The diagram shows privatisation transactions and revenue for the European Union between 1981 and 2012.



What can be concluded from the diagram?

A Any increase in the number of privatisations resulted in an increase in privatisation revenue.

B The average revenue per privatisation was highest in 2000.

C The main revenue from privatisation changed from public offers to private sales.

D The number of privatisations and revenue raised peaked in the same year.

111 – (9708/13_Summer_2020_Q14) – *Government Microeconomic Intervention*

What is **most** likely to occur when the government privatises public sector organisations?

A Consumer choice will increase.

B Employment will increase in the short run.

C Innovation will be discouraged.

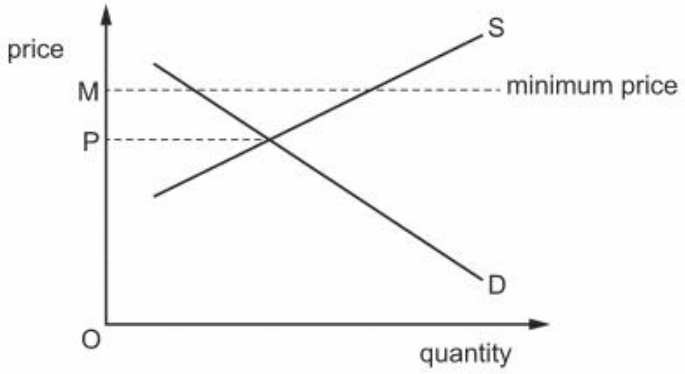
D The production of public goods will increase.

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112 – (9708/11_Summer_2020_Q15) – *Government Microeconomic Intervention*

The diagram shows a market where a government has set a minimum price of OM.



What can be concluded from the diagram?

A At prices above OM, there would be a surplus of the good.

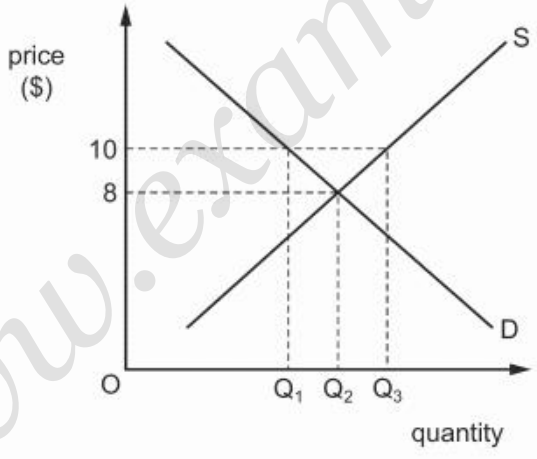
B At the minimum price OM, there would be a shortage of the good.

C Price will fall automatically from OM to OP.

D The minimum price will be ineffective.

113 – (9708/12_Summer_2020_Q15) – *Government Microeconomic Intervention*

The diagram shows the market demand and supply curves for rice.



What would happen if a government imposed a maximum price of $10?

A The government would need to supply Q_1 to Q_3.

B The quantity sold would be Q_1.

C The quantity sold would be Q_2.

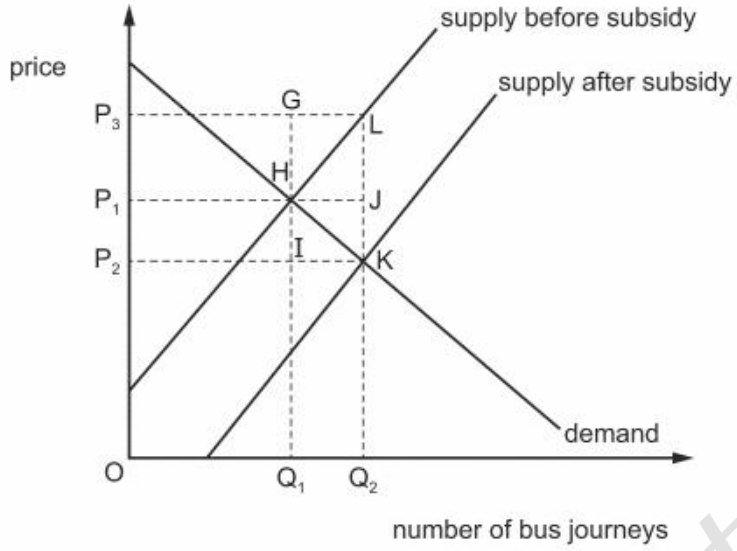
D The quantity sold would increase from Q_2 to Q_3.

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114 – (9708/13_Summer_2020_Q15) – *Government Microeconomic Intervention*

The diagram shows the market for bus services before and after a government subsidy.



Which area on the diagram shows the incidence of the subsidy for the consumer?

A P_1HIP_2 **B** P_1JKP_2 **C** P_2IGP_3 **D** P_2KLP_3

115 – (9708/11_Summer_2020_Q16) – *Government Microeconomic Intervention*

What would supporters of a nationalised public transport service expect to be the most likely outcome from the privatisation of train and bus services?

A fewer destinations served by trains and buses

B lower fares

C more frequent services to all destinations

D more people employed in public transport services

116 – (9708/12_Summer_2020_Q16) – *Government Microeconomic Intervention*

A government decides to replace a private company with its own company to collect household waste.

Why could such action be justified?

A Because waste collection is a public good.

B Costs of waste collection are bound to be lower if paid out of local taxes.

C Private companies are always less efficient than government companies.

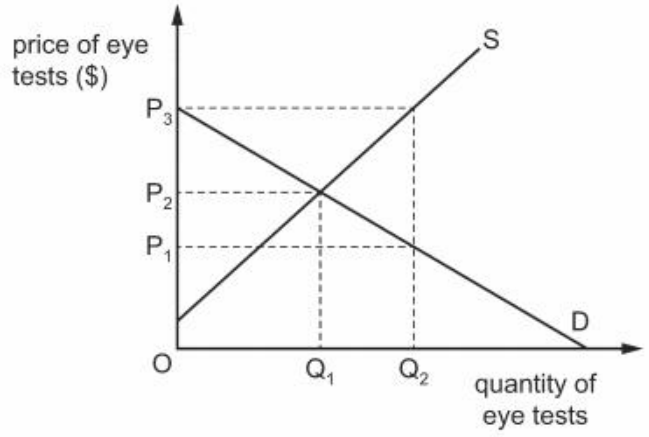
D Private companies might put profits before customer needs.

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117 – (9708/13_Summer_2020_Q16) – *Government Microeconomic Intervention*

The diagram shows the market for eye tests.



Which policy would enable the government to increase the number of eye tests from OQ_1 to OQ_2?

A a maximum price of OP_3 per test

B a minimum price of OP_2 per test

C a subsidy paid to opticians of P_3–P_2 per test

D a subsidy paid to opticians of P_3–P_1 per test

118 – (9708/11_Summer_2020_Q17) – *Government Microeconomic Intervention*

A teenager received a cheque for $50 as a birthday gift from her parents. The teenager paid the cheque into her savings account at the bank.

Why is this gift a transfer payment?

A It did not involve a cash payment.

B It transfers money between bank accounts.

C The parents did not spend their money.

D The teenager did not produce any output.

119 – (9708/12_Summer_2020_Q17) – *Government Microeconomic Intervention*

Which measure would **not** be part of a government subsidy to protect domestic producers from competition?

A import quotas

B interest-free loans provided by the government

C reductions in profits (business) taxes

D transfer payments

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120 – (9708/13_Summer_2020_Q17) – *Government Microeconomic Intervention*

In November 2017, the Scottish government introduced a minimum price for alcohol because of the detrimental health effects of alcohol consumption.

Which combination of actions is most likely to lead to a failure with respect to reducing the detrimental effects of the consumption of alcohol?

	action 1	action 2
A	minimum price is set too high	effective information provision regarding the health effects of consuming alcohol
B	minimum price is set too high	effective subsidisation of non-alcoholic beverages
C	minimum price is set too low	health benefits of reduced alcohol consumption have been overestimated
D	minimum price is set too low	stricter enforcement of the regulations relating to the sale of alcohol

121 – (9708/12_Summer_2020_Q18) – *Government Microeconomic Intervention*

A country's railways are currently run by private firms. It has been suggested that the government should nationalise the railways.

What might be a reason for this?

A to control prices of railway services

B to encourage competition in railway services

C to increase the profit incentive

D to provide jobs for local people

122 – (9708/13_Summer_2020_Q18) – *Government Microeconomic Intervention*

What is an example of direct provision by a government?

A The government introduces a subsidy on renewable fuels to help the environment.

B The government introduces a unit tax on cigarettes to discourage consumption.

C The government sets a maximum rent on housing to protect tenants.

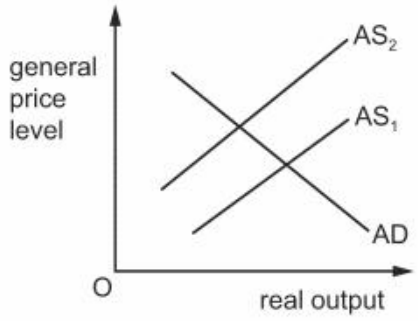
D The government takes over a private library to improve local services.

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123 – (9708/11_Summer_2020_Q26) – *Government Microeconomic Intervention*

The diagram shows the aggregate demand (AD) and aggregate supply (AS) for an economy.



Which changes in subsidies and indirect taxes would have caused the change in AS shown?

A higher subsidies and higher indirect taxes

B higher subsidies and lower indirect taxes

C lower subsidies and higher indirect taxes

D lower subsidies and lower indirect taxes

124 – (9708/13_Summer_2020_Q28) – *Government Microeconomic Intervention*

What would be a positive effect on the growth of an economy in the short run, if the government reduced a direct tax on individual earnings?

A food prices would increase due to shortages

B imports of luxury cars would increase to satisfy a change in demand

C savings would increase due to additional disposable income

D the consumption of domestically produced goods would increase

125 – (9708/13_Winter_2020_Q3) – *Government Microeconomic Intervention*

A country is moving from a planned economy to a market economy. The government previously provided transport services but has now sold these to private firms.

What is a consequence of this?

A Government ownership of resources has increased.

B Services provided by the public sector have increased.

C There has been an increase in central planning.

D There has been an increase in consumer sovereignty.

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126 – (9708/12_Winter_2020_Q9) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

A government reduces income tax but at the same time raises the rate of sales tax (VAT).

What are the likely effects on the demand and supply of a normal good?

	demand	supply
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

127 – (9708/11_Winter_2020_Q14) – *Government Microeconomic Intervention*

Which statement best describes a transfer payment?

A It is a loan from the government to help firms.

B It is a payment to individuals not linked to economic activity.

C It is the redistribution of income from government to individuals for work done.

D It is the redistribution of income from households to firms for goods purchased.

128 – (9708/12_Winter_2020_Q14) – *Government Microeconomic Intervention*

A government decides to privatise a state-owned company.

What should the government do to try to ensure that this will result in an improvement in efficiency?

A allocate vouchers to all citizens entitling them to a share in the ownership of the company

B encourage competition

C impose a maximum profit margin

D increase business tax rates

129 – (9708/13_Winter_2020_Q14) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

A government regards alcoholic drinks as a demerit good and introduces a minimum price above the equilibrium in an attempt to protect consumers. Demand for alcoholic drinks is price inelastic.

What is the most likely outcome?

A a fall in the revenue of alcoholic drink producers

B a fall in the quantity of alcoholic drink sales

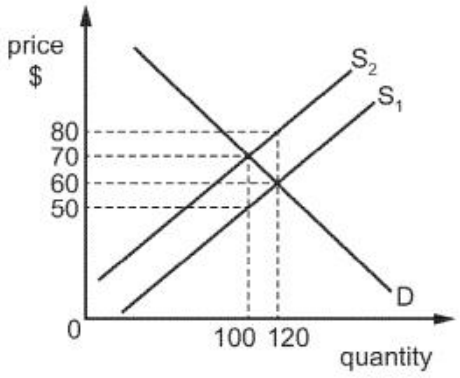
C a long-run shortage of alcoholic drinks

D an increase in specific tax revenue from the sale of alcoholic drinks

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130 – (9708/11_Winter_2020_Q15) – *Government Microeconomic Intervention*

The diagram shows the impact of a unit tax imposed by a government on a good. The original supply curve is S_1 and the supply curve after the unit tax is S_2.

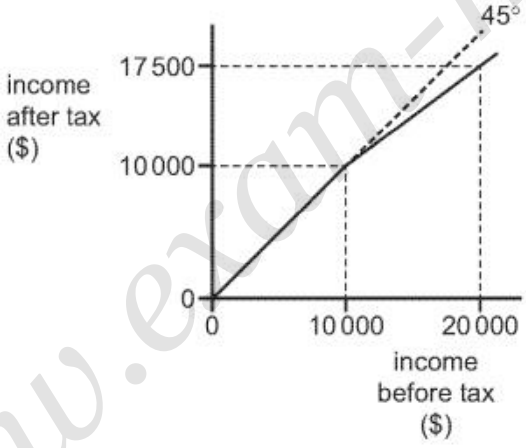


What would be the amount of tax paid by the consumer?

A $500 **B** $1000 **C** $1500 **D** $2400

131 – (9708/12_Winter_2020_Q15) – *Government Microeconomic Intervention*

The graph shows an individual's income before and after the deduction of income tax.



What is the marginal percentage rate of tax between $0 and $10 000, and between $10 000 and $20 000?

	$0–$10 000	$10 000–$20 000
A	0%	12.5%
B	0%	25.0%
C	1%	12.5%
D	1%	25.0%

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132 – (9708/13_Winter_2020_Q15) – *Government Microeconomic Intervention*

A government subsidy of $50 per unit is paid to manufacturers of solar panels.

What will be the impact of this?

A It will guarantee equilibrium in the solar panel market.

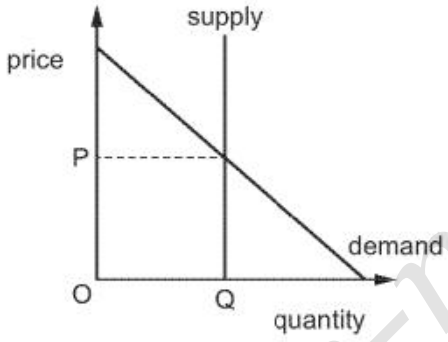
B It will maintain high market prices.

C It will reduce total production costs.

D It will stabilise levels of output.

133 – (9708/11_Winter_2020_Q16) – *Government Microeconomic Intervention*

The diagram shows the demand and supply curves for healthcare in a private market.



What would happen if the government provides the same amount of healthcare free of charge?

A Healthcare will become a public good.

B Healthcare will no longer have external benefits.

C There will be over-consumption of healthcare.

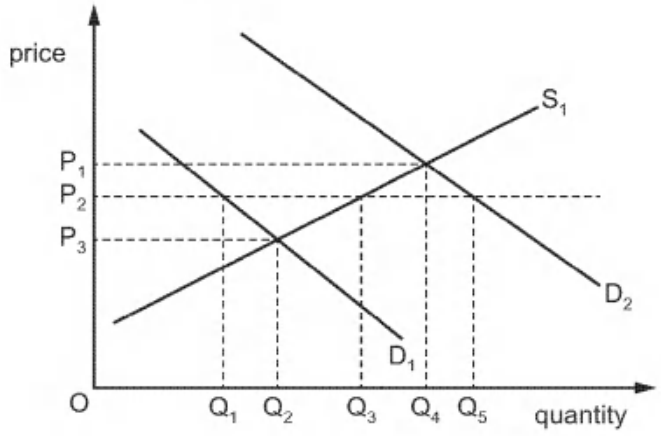
D There will need to be rationing.

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134 – (9708/12_Winter_2020_Q16) – *Government Microeconomic Intervention*

In year 1, in the market for a good represented in the diagram, the initial demand and supply conditions are shown by D_1 and S_1, and the government has set a maximum price of OP_2.



In year 2, demand increases to D_2, but there are no other changes to the conditions of supply or to the maximum price.

Which row accurately shows the price and quantity in the market in each year?

	year 1		year 2	
	price	quantity	price	quantity
A	OP_2	OQ_1	OP_1	OQ_4
B	OP_2	OQ_3	OP_2	OQ_5
C	OP_3	OQ_2	OP_1	OQ_4
D	OP_3	OQ_2	OP_2	OQ_3

135 – (9708/13_Winter_2020_Q16) – *Government Microeconomic Intervention*

Why might a government privatise the railway industry in a country?

A Economists classify railway journeys as a public good.

B Privatisation would provide funds for investment from a wider range of sources.

C Privatised railways would be run to maximise producer surplus.

D Railway fares can be taxed to raise money for the government only if railways are privatised.

136 – (9708/12_Winter_2020_Q17) – *Government Microeconomic Intervention*

What is necessary for an action to be classed as a transfer payment?

A It must include a cash payment.

B It must involve a banking transaction.

C It must originate from government activity.

D It must relate to a non-productive activity.

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137 – (9708/13_Winter_2020_Q17) – *Government Microeconomic Intervention*

Which tax is levied on a stock of wealth rather than a flow of income?

A company profits tax

B goods and services (expenditure) tax

C individual direct tax

D personal asset tax

138 – (9708/11_Winter_2020_Q18) – *Government Microeconomic Intervention*

A government imposes an income tax on individuals. The first $100 000 of earned income is taxed at a rate of 20%, and all further earned income above $100 000 is taxed at a marginal rate of 50%.

Which statement is **not** valid?

A The average income tax rate is 20% at an income of $80 000 and 35% at an income of $200 000.

B The tax is a direct tax for incomes above $100 000.

C The tax is a proportional tax for incomes between $20 000 and $40 000.

D The tax is regressive when incomes change from below to above $100 000.

139 – (9708/12_Winter_2020_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The market for good X is in equilibrium. The government introduces a subsidy to the producers of good X.

Under which conditions will the total expenditure by the government on the subsidy be the greatest?

	price elasticity of demand for good X	price elasticity of supply for good X
A	<1	<1
B	<1	>1
C	>1	<1
D	>1	>1

140 – (9708/13_Winter_2020_Q18) – *Government Microeconomic Intervention*

What is classified as a transfer payment?

A money paid as a gift to a charity

B money paid as a tip to a waiter

C money paid as commission to a salesperson

D money paid for an imported good

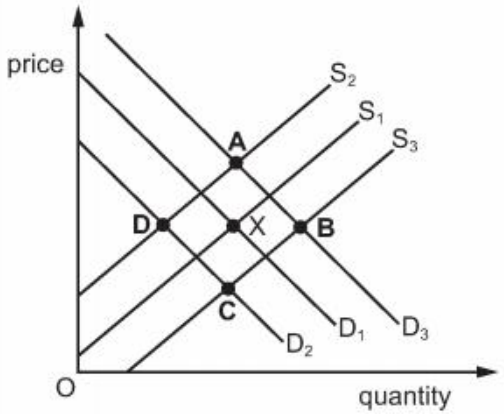
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141 – (9708/13_Summer_2021_Q9) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The diagram shows the original demand curve D_1 and supply curve S_1 for diesel cars in Europe. Point X is the initial equilibrium.

There is a successful advertising campaign by electric car producers and a new unit tax on diesel cars.

What will be the new equilibrium?



142 – (9708/12_Summer_2021_Q14) – *Government Microeconomic Intervention*

What will definitely stop, following the nationalisation of an industry?

A dividend payments to the industry's shareholders

B job losses among the industry's workforce

C price increases for the industry's product

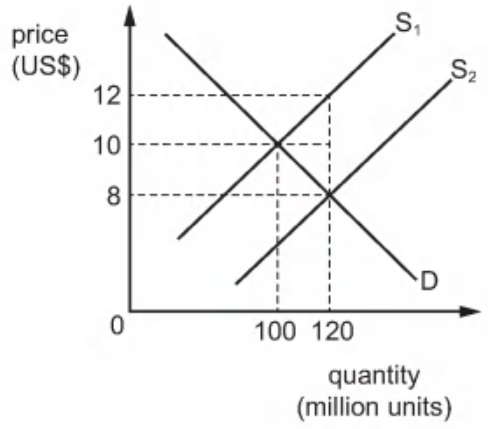
D the closure of unprofitable factories in the industry

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143 – (9708/12_Summer_2021_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

The diagram shows the effect of the government introducing a subsidy on a product.



What are the effects of the subsidy on government spending and consumer spending?

	government spending	consumer spending
A	increases by US$240 million	decreases by US$40 million
B	increases by US$240 million	decreases by US$200 million
C	increases by US$480 million	decreases by US$40 million
D	increases by US$480 million	decreases by US$200 million

144 – (9708/13_Summer_2021_Q15) – *Government Microeconomic Intervention*

The provision of rail services is switched from the private sector to the public sector.

What is necessarily correct?

A The average fare charged for the service will fall.

B The profitability of the service will fall.

C The rail service's management will be responsible to different owners.

D There will be an increase in the number of workers employed.

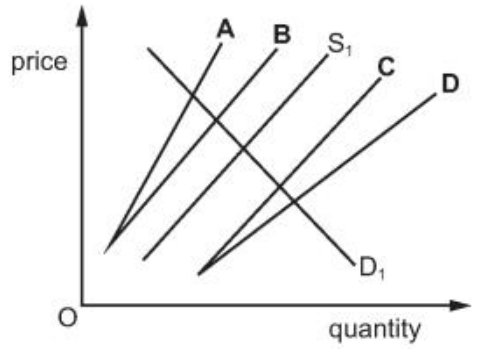
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145 – (9708/12_Summer_2021_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

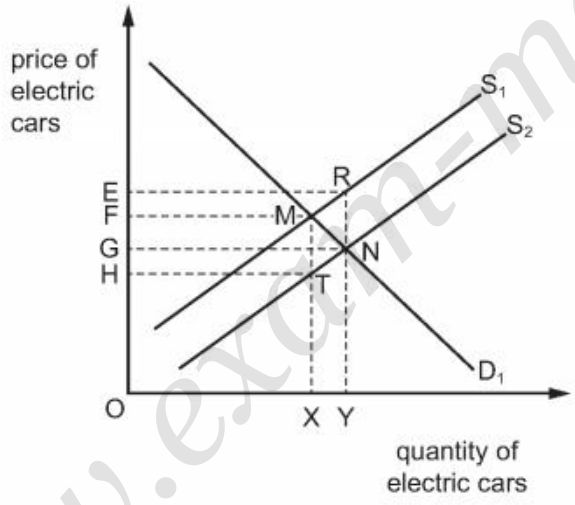
In the diagram, S_1 and D_1 are the initial supply and demand curves of a product.

What would be the new supply curve following the removal of an ad valorem tax on the product?



146 – (9708/13_Summer_2021_Q16) – *Government Microeconomic Intervention*

The diagram represents the original demand curve D_1 and the original supply curve S_1 for electric cars. The government decides to provide a subsidy to electric car manufacturers.



Which area represents the total revenue of the car manufacturer after receiving the subsidy from the government?

A OERY **B** OFMX **C** OGNY **D** OHTX

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147 – (9708/12_Summer_2021_Q17) – *Government Microeconomic Intervention*

The table shows sources of government revenue in a fiscal year for an economy.

source of revenue	$ billions
sale of government assets	100
tax on self employed	1000
carbon tax on goods produced	100
corporate taxes	500
capital gains tax	100
goods and services tax	1000
air passenger tax	100

What is the total amount, in $ billions, of tax revenue raised by indirect taxes?

A 1200 **B** 1300 **C** 1400 **D** 1600

148 – (9708/13_Summer_2021_Q17) – *Government Microeconomic Intervention*

A government decides to build additional public sector housing to be rented to people receiving low incomes.

What is most likely to fall as a result of this increase in public sector housing?

A employment in the construction industry

B land prices in towns and cities

C rents of houses in the private sector

D total government spending

149 – (9708/12_Summer_2021_Q18) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

Education from 4 to 16 years of age in most developed economies is provided at zero price, financed from taxation.

Why should the government do this?

A In a free market, consumers have imperfect information so do not realise the full personal benefit of education.

B In a free market, education is not considered to be a private good.

C In a free market, consumers will be unwilling to pay for education.

D In a free market, education is non-rival and non-excludable in consumption so zero output would be produced.

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150 – (9708/13_Summer_2021_Q18) – *Government Microeconomic Intervention*

Government spending for a year includes these items.

	$m
pensions for elderly people	200
welfare payments to sick people	200
spending on hospitals	150
payment to unemployed workers	100
defence spending	100
teachers' salaries	50

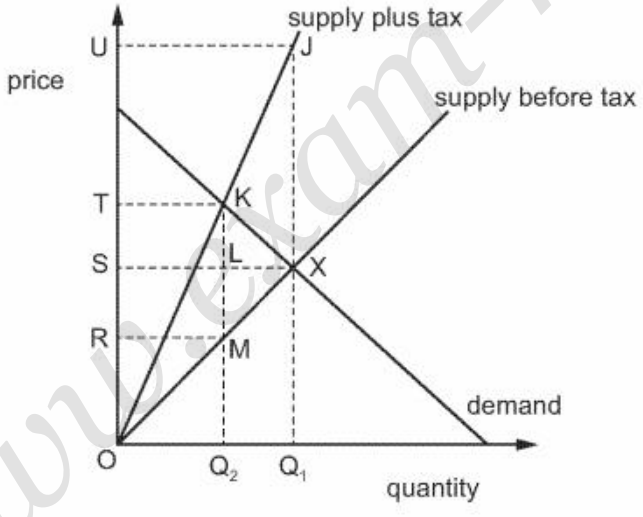
What is the total of transfer payments by this government in $m?

A 50 **B** 500 **C** 750 **D** 800

151 – (9708/12_Winter_2021_Q7) – *Government Microeconomic Intervention*

The market for mobile phones is initially in equilibrium at X. The government then imposes a sales tax.

What is the government's total tax revenue from this tax?



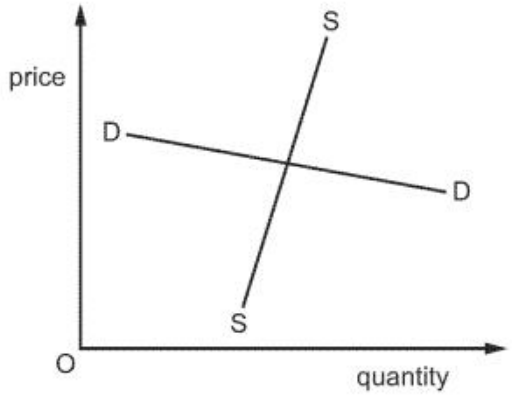
A JKX **B** TKLS **C** TKMR **D** UJXS

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152 – (9708/11_Winter_2021_Q12) – *Government Microeconomic Intervention*

The diagram shows the demand curve and supply curve for a good on which the government imposes a specific tax.



What will be the result of this tax?

A Most of the incidence of the tax will fall on the producer.

B There will be a new demand curve parallel to DD.

C The price will rise by the full amount of the tax.

D The quantity bought will fall proportionately to the tax rate.

153 – (9708/13_Winter_2021_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

The table shows the market demand and market supply for kiwifruit over a year.

At a market price of $3 per kg there is disequilibrium in the market.

price of kiwifruit ($ per kg)	total market demand (thousand tonnes)	total market supply (thousand tonnes)
1	220	120
2	190	130
3	160	140
4	130	150
5	100	160

Which action would the government have to take to achieve market equilibrium at a price of $3 per kg?

A impose an indirect tax of $2 per kg on kiwifruit

B purchase the entire supply at $3 per kg and sell at $2 per kg

C set a maximum price of $3 per kg

D subsidise kiwifruit production by $2 per kg

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154 - (9708/11_Winter_2021_Q14) - *Government Microeconomic Intervention*

What is an example of privatisation?

A the sale on the market of a French state-owned power-generation company

B the sale of a privately-owned water company to a German firm

C the takeover of a French car manufacturer by the French government

D the purchase of a Swedish pharmaceutical producer by a larger American pharmaceutical producer

155 - (9708/12_Winter_2021_Q14) - *Government Microeconomic Intervention*

A nationalised industry is privatised.

Assuming there is no change in the output of the industry in the short run, what are the direct effects of the change?

	size of public sector	proportion of industry output entering the market
A	decreases	increases
B	decreases	no change
C	no change	increases
D	no change	no change

156 - (9708/13_Winter_2021_Q14) - *Government Microeconomic Intervention, The Price System And The Micro Economy*

A government wishes to impose a tax on a good so that the consumer pays most of the tax increase.

Which type of elasticity would best achieve this aim?

A high price elasticity of supply

B low price elasticity of supply

C unitary price elasticity of supply

D perfectly inelastic price elasticity of supply

157 - (9708/11_Winter_2021_Q15) - *Government Microeconomic Intervention*

What did Adam Smith mean by 'economy' when describing his canons of taxation?

A The cost of collecting the tax should be low.

B The tax should be easy to pay.

C The tax should have a neutral effect on the use of resources.

D The tax should have a positive effect on aggregate supply.

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158 – (9708/12_Winter_2021_Q15) – *Government Microeconomic Intervention*

What is a distinguishing feature of a progressive income tax?

A High earners pay a higher proportion of their income in tax than low earners.

B High earners pay a lower proportion of their income in tax than low earners.

C High earners pay the same proportion of their income in tax as low earners.

D Low earners pay more tax than high earners.

159 – (9708/13_Winter_2021_Q15) – *Government Microeconomic Intervention*

Why does the production of public goods have to be financed by the government?

A One person's consumption of a public good means it is not available for anyone else.

B People are able to consume public goods without paying for them.

C Private sector firms will charge a price significantly above cost for public goods.

D The cost of producing public goods is higher in the private sector.

160 – (9708/11_Winter_2021_Q16) – *Government Microeconomic Intervention*

A government decides to remove fees for higher education provided by the public sector and the private sector.

What is the consequence of this policy?

A Higher education is less likely to be provided by the private sector.

B Resources in higher education will be allocated through the price mechanism.

C The demand for higher education will be perfectly elastic when the price is zero.

D The opportunity cost of higher education to students will be zero.

161 – (9708/12_Winter_2021_Q16) – *Government Microeconomic Intervention*

Why might a government nationalise a private firm?

A to gain greater efficiency due to more competition

B to increase merit good provision

C to increase choice for the consumer

D to raise more tax revenue

162 – (9708/13_Winter_2021_Q16) – *Government Microeconomic Intervention*

Which payment is a transfer payment?

A households' payments of indirect taxes

B government pension payments

C payments between firms for the supply of raw materials

D payment of salaries

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163 – (9708/11_Winter_2021_Q17) – *Government Microeconomic Intervention*

What would be the main effect of imposing an effective maximum price on foodstuffs?

A Inflation would rise.

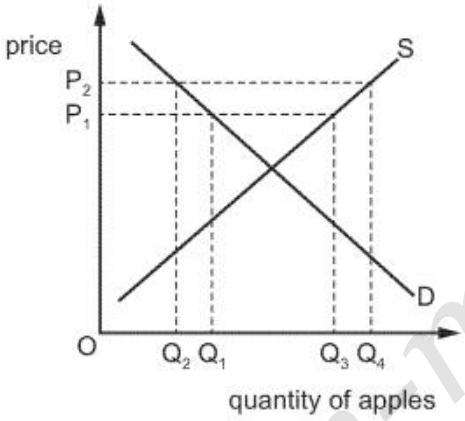
B The price of foodstuffs would rise.

C There would be a decrease in the import of foodstuffs.

D There would be a shortage of foodstuffs.

164 – (9708/12_Winter_2021_Q17) – *Government Microeconomic Intervention*

The diagram shows a firm's supply of and demand for apples.



If a minimum price is increased from P_1 to P_2 what will happen to the amount of apples sold?

A It will decrease from Q_1 to Q_2.

B It will decrease from Q_4Q_1 to Q_2Q_3.

C It will increase from Q_3 to Q_4.

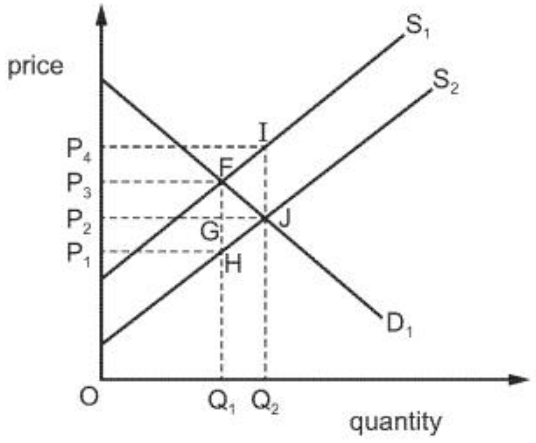
D It will increase from Q_3Q_2 to Q_4Q_1.

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165 – (9708/13_Winter_2021_Q17) – *Government Microeconomic Intervention*

The diagram shows the effects of a subsidy in the market for wheat.



Which area shows the total government spending on the subsidy?

A OP_2JQ_2 **B** OP_3FQ_1 **C** P_3FJP_2 **D** P_2P_4IJ

166 – (9708/11_Winter_2021_Q18) – *Government Microeconomic Intervention*

An effective minimum price is applied to alcohol in an attempt to reduce consumption.

Why would a government **not** buy up any surplus created?

A Buying the surplus would be costly to the government.

B Buying the surplus would decrease the incomes of producers.

C Buying the surplus would lead to a shortage.

D Buying the surplus would lead to unemployment.

167 – (9708/12_Winter_2021_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

In an attempt to reduce crime, a government introduces a subsidy on the production of burglar alarms, but sales rise very little.

Which possible characteristics of the good would lead to this outcome?

	price elasticity of demand	price elasticity of supply
A	high	high
B	high	low
C	low	high
D	low	low

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168 – (9708/13_Winter_2021_Q18) – *Government Microeconomic Intervention*

A government wishes to reduce the consumption of alcohol.

Which policy will it use to achieve this aim by fixing the price of alcohol?

A fix maximum price above market price

B fix maximum price below market price

C fix minimum price above market price

D fix minimum price below market price

169 – (9708/13_Winter_2021_Q20) – *The Price System And The Micro Economy, Government Microeconomic Intervention, Government Macro Intervention*

The demand for a country's exports is price-elastic. Its government introduces export subsidies.

What will be the effect on its balance of trade and on its terms of trade?

	balance of trade	terms of trade
A	increase	increase
B	increase	decrease
C	decrease	increase
D	decrease	decrease

170 – (9708/13_Summer_2022_Q2) – *Government Microeconomic Intervention*

The table shows the amount of direct taxes that different households in the UK paid in 2017–2018.

	bottom 20% of households	second 20% of households	middle 20% of households	fourth 20% of households	top 20% of households
average income (£)	15300	25000	34600	47600	90600
direct tax paid (£)	2000	3500	6000	9500	21200

Which positive economic statement can be made from the table?

A Direct tax is unfair on the richer households in the UK.

B Direct tax in the UK is a proportional tax.

C Poorer households do not pay enough direct tax in the UK.

D Rich households pay more direct tax than poor households in the UK.

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171 – (9708/11_Summer_2022_Q14) – *Government Microeconomic Intervention*

Which row shows the effect of the maximum and minimum prices described in the headings of the table?

	maximum price above equilibrium price	maximum price below equilibrium price	minimum price above equilibrium price
A	excess demand	no effect	no effect
B	excess supply	no effect	no effect
C	no effect	excess demand	excess supply
D	no effect	excess supply	excess demand

172 – (9708/12_Summer_2022_Q14) – *Government Microeconomic Intervention*

Which combination of tax changes is **most** likely to be regressive in a developed economy?

A increasing the rate of wealth tax and raising the rate of sales tax (VAT) on luxury products

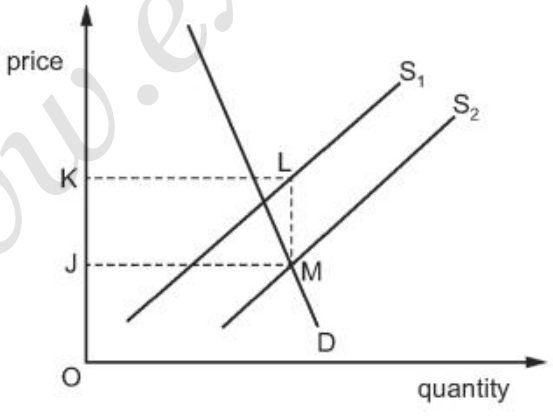
B introducing a tax on owning property based on its sales value and increasing the rate of income tax

C reducing the basic rate of income tax and increasing the duty on fuel

D removing the tax-free allowance for income tax and extending sales tax (VAT) to include all food

173 – (9708/13_Summer_2022_Q14) – *Government Microeconomic Intervention*

The diagram shows the effect on the market for rice of a change in government policy that causes a shift in the supply curve from S_1 to S_2.



What does the area JKLM represent?

A the cost to the government of a subsidy to rice growers

B the extra saving to importers of the removal of a tariff on rice

C the increase in consumer surplus from the introduction of a maximum price for rice

D the loss in government revenue from the reduction in a lump sum tax on rice

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174 – (9708/14_Summer_2022_Q14) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

Money is paid by the government to an unemployed worker in the form of a benefit.

Why is this called a transfer payment?

A The payment comes from taxes paid by employed workers.

B The payment comes from government savings, not current income.

C The payment is made without the production of goods and services taking place.

D The payment must be spent as directed by the government.

175 – (9708/11_Summer_2022_Q15) – *Government Microeconomic Intervention*

A government decides to introduce tolls (charges) to drive on all major roads.

What is **most** likely to happen to the number of journeys made on major roads and on minor roads?

	journeys on major roads	journeys on minor roads
A	reduce	increase
B	reduce	no change
C	no change	increase
D	no change	no change

176 – (9708/13_Summer_2022_Q15) – *Government Microeconomic Intervention*

The table shows four categories of government expenditure over two time periods.

category	period 1 ($000)	period 2 ($000)
building of new roads	200	350
welfare benefits	600	450
pay of armed forces	500	550
state pensions	1100	1350

By how much had transfer payments changed between periods 1 and 2?

A 0 **B** +100 **C** +150 **D** +300

177 – (9708/14_Summer_2022_Q15) – *Government Microeconomic Intervention*

What would be a valid objection to the government provision of goods and services?

A There will be an increase in consumer sovereignty.

B Only the private sector can provide merit goods.

C Tax rates and tax income are likely to fall.

D Investment in the private sector might be reduced.

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178 – (9708/11_Summer_2022_Q16) – *Government Microeconomic Intervention*

The table shows data from a bus company that was privatised in 2013.

year	revenue $000	passenger journeys percentage change from previous year (%)
2012	470	+5
2013	495	+2
2014	430	–2
2015	440	–1

What is the most likely conclusion that can be made from the data?

A Average prices were higher in 2012 than 2015.

B Average prices were higher in 2015 than 2014.

C The number of passenger journeys remained the same since privatisation.

D Profits have increased since privatisation.

179 – (9708/12_Summer_2022_Q16) – *Government Microeconomic Intervention*

To improve the air quality for its citizens, a government introduces a subsidy for the producers of cars powered by batteries charged from the electricity supply.

What are the likely effects of this subsidy on the price and sales of electricity?

	price of electricity	sales of electricity
A	falls	falls
B	falls	rises
C	rises	falls
D	rises	rises

180 – (9708/13_Summer_2022_Q16) – *Government Microeconomic Intervention*

Which type of tax used in different countries is a direct tax?

A corporation tax in India that is imposed on the profits of companies

B import duties in Brazil that are imposed on imported goods

C specific tax in South Africa imposed on the purchase of cigarettes

D stamp duty in Malaysia that is the tax on the purchase of a residential property

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181 – (9708/14_Summer_2022_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

What will be the result of a subsidy that is given to the producers of a good with an inelastic demand curve?

A The equilibrium price of the good will fall by a larger percentage than the fall in equilibrium quantity.

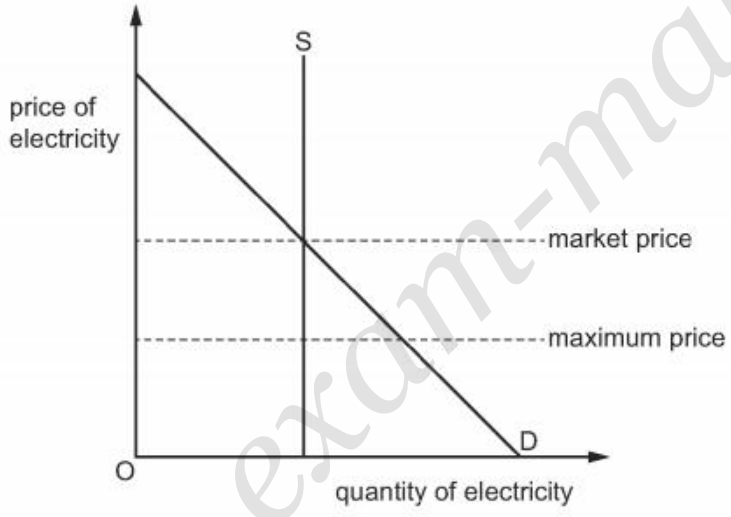
B The equilibrium price of the good will fall by a larger percentage than the rise in equilibrium quantity.

C The equilibrium price of the good will fall by a smaller percentage than the fall in equilibrium quantity.

D The equilibrium price of the good will fall by a smaller percentage than the rise in equilibrium quantity.

182 – (9708/11_Summer_2022_Q17) – *Government Microeconomic Intervention*

The diagram shows the market for electricity in a country that has a fixed supply of electricity and introduces a maximum price to make it affordable for poorer households.



What will be the effect of this?

A It will encourage producers to build more power stations in the future.

B It will encourage the development of renewable sources of electricity.

C It will increase producer surplus.

D It will increase the probability of power cuts.

183 – (9708/12_Summer_2022_Q17) – *Government Microeconomic Intervention*

What is definitely **not** involved when a transfer payment is made?

A bank deposits

B cash

C government

D production

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184 - (9708/13_Summer_2022_Q17) - *Government Microeconomic Intervention*

A government imposes a maximum price on medical face masks, below the market equilibrium.

What is the most likely effect of this?

A Some consumers will be unable to buy face masks at the maximum price.

B Firms will produce more masks to meet the excess demand at the maximum price.

C Poorer consumers will be able to obtain all the masks they need at the maximum price.

D The market will clear at the maximum price.

185 - (9708/14_Summer_2022_Q17) - *Government Microeconomic Intervention*

The market for good X is in equilibrium. A government then introduces an effective minimum price on good X.

What will decrease as a result of this minimum price?

A the excess supply of the product

B the market price of the product

C the quantity of the product supplied

D the size of the consumer surplus

186 - (9708/11_Summer_2022_Q18) - *Government Microeconomic Intervention*

What is an example of a transfer payment?

A government spending on hospitals

B government spending on motorways

C minimum wage

D welfare benefits

187 - (9708/12_Summer_2022_Q18) - *Government Microeconomic Intervention*

What is **unlikely** to occur with an increase in the provision of public goods?

A consumer non-excludability

B improved use of resources

C opportunity cost

D reduction in tax

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188 – (9708/13_Summer_2022_Q18) – *Government Microeconomic Intervention*

What is **not** a producer subsidy?

A a grant given to cover losses in an essential industry, such as the rail industry

B a guaranteed minimum price paid to farmers to ensure the long run supply of food

C financial assistance given to a pharmaceutical company to develop a new vaccine

D a payment made to the unemployed to allow them to buy essential goods and services

189 – (9708/14_Summer_2022_Q18) – *Government Microeconomic Intervention*

A government introduces taxes on company profits. A 5% tax rate is levied on all profits up to the first $10 000 and a 10% rate is levied on all profits above $10 000.

How would these taxes be described?

	up to $10 000	above $10 000
A	progressive	progressive
B	progressive	proportional
C	proportional	progressive
D	proportional	proportional

190 – (9708/11_Winter_2022_Q14) – *Government Microeconomic Intervention*

In mixed economies, what explains why the provision of certain goods and services will remain under government control?

A The market system fails to provide public goods.

B Management ideas are hampered by excessive bureaucracy.

C Ownership of companies depends on the ease of buying shares.

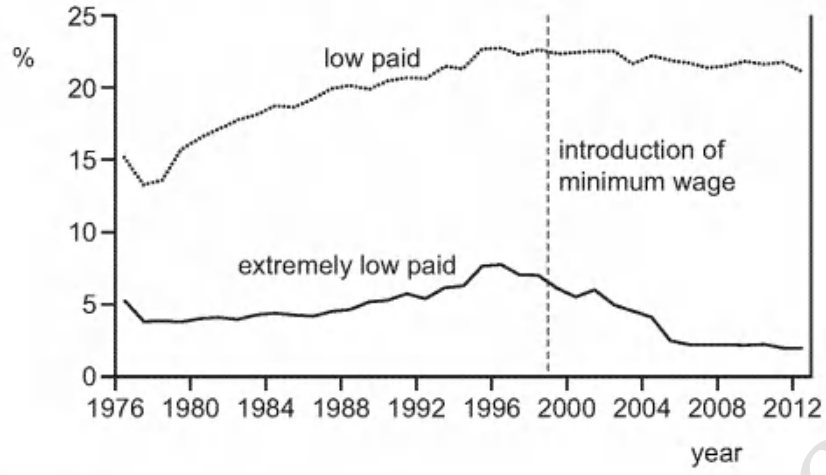
D The profit motive tends to improve efficiency in organisations.

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191 – (9708/11_Winter_2022_Q15) – *Government Microeconomic Intervention*

The diagram shows the percentages of those on low pay and those on extremely low pay in a country from 1976 to 2012. A national minimum wage was introduced in 1999.



Which conclusion is consistent with the diagram?

A The minimum wage helped the low paid more than the extremely low paid.

B The minimum wage reduced the numbers of both low paid and extremely low paid.

C The minimum wage reversed the trend in low pay of the previous 20 years.

D The minimum wage was responsible for the largest reduction of low pay in the period.

192 – (9708/12_Winter_2022_Q15) – *Government Microeconomic Intervention*

A government fixes a maximum price for a product in order to increase its consumption.

What would be the likely outcome of such a policy?

A Consumption will fall if the maximum price is above the current equilibrium price.

B Consumption will rise if the maximum price is below the current equilibrium price.

C Production will fall if the maximum price is above the current equilibrium price.

D Production will fall if the maximum price is below the current equilibrium price.

193 – (9708/13_Winter_2022_Q15) – *Government Microeconomic Intervention*

In 2009, the Australian Government made a payment of $900 to those who earned less than $100 000 per year.

How would this payment best be described?

A neutral

B progressive

C proportional

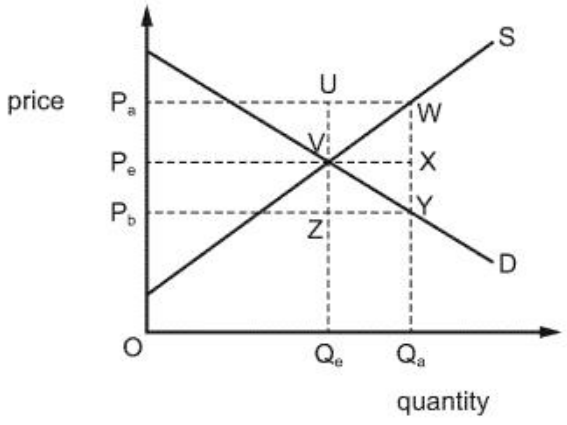
D regressive

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194 – (9708/11_Winter_2022_Q16) – *Government Microeconomic Intervention*

The government has decided to guarantee manufacturers a price OP_a for a product and to provide a subsidy to ensure that the market clears.

In the diagram, Q_eP_e was the original equilibrium before the policy changes.

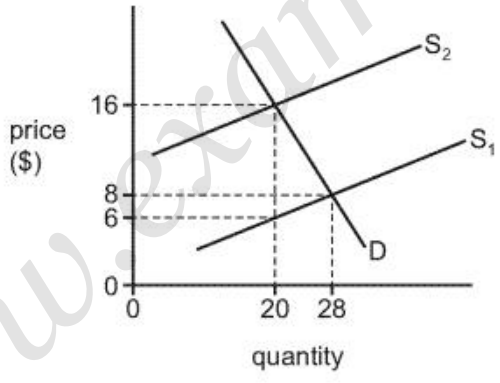


Which area represents the total cost to the government of this subsidy?

A P_aUZP_b **B** P_aWYP_b **C** P_eXYP_b **D** VWYZ

195 – (9708/12_Winter_2022_Q16) – *Government Microeconomic Intervention*

The diagram shows demand and supply curves for a good. S_1 is the original supply curve, S_2 is supply after a tax is added.



How much tax revenue is earned by the government?

A $40 **B** $160 **C** $200 **D** $320

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196 – (9708/13_Winter_2022_Q16) – *Government Microeconomic Intervention*

The market for good Z is in equilibrium with 1000 units sold at a price of $10. The government pays a subsidy of $2 per unit to producers of good Z.

Under which conditions will the total spending by the government on the subsidy be **smallest**?

	price elasticity of demand for good Z	price elasticity of supply for good Z
A	< 1	< 1
B	< 1	> 1
C	> 1	< 1
D	> 1	> 1

197 – (9708/11_Winter_2022_Q17) – *Government Microeconomic Intervention*

A concert arena has a fixed capacity that allows it to sell 10 000 tickets for a concert. The current equilibrium price for a ticket is $10. The owners of the arena decide to set a minimum price for a ticket.

Under which conditions will there be the most unsold tickets?

	minimum ticket price ($)	price elasticity of demand for tickets
A	11	inelastic
B	11	elastic
C	12	inelastic
D	12	elastic

198 – (9708/12_Winter_2022_Q17) – *Government Microeconomic Intervention*

What is a transfer payment?

A the advertising expenditure of a firm

B the allowance given by a parent to their child while at school

C the rent paid to a land owner by a tenant farmer

D the wage paid to a worker in the government service

199 – (9708/13_Winter_2022_Q17) – *Government Microeconomic Intervention*

If an industry is currently state-owned and state-run, what does **not** represent a reason for it being privatised?

A Decisions will no longer be taken with political considerations in mind.

B The benefits of merit goods will be taken into account in decision-making.

C Its owners would have more incentive to make it operate profitably.

D There will be greater incentives for managers to introduce modern technology.

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200 – (9708/13_Winter_2022_Q18) – *Government Microeconomic Intervention*

What does the incidence of an indirect tax on a product refer to?

A the proportion of the tax paid by the consumer relative to the producer

B the reduction in output as a result of the imposition of the tax

C the revenue the tax generates for the government

D the increase in the hidden economy as a result of tax evasion after the tax is imposed

201 – (9708/11_Winter_2022_Q19) – *Government Microeconomic Intervention*

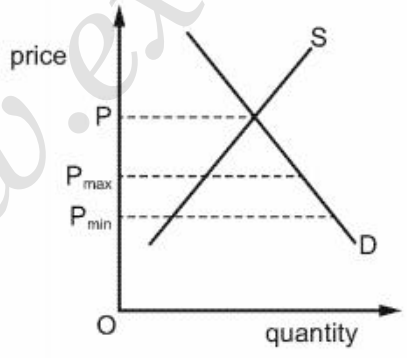
Assuming the demand for oil is price-inelastic, what will be the effect on demand-pull inflation and on cost-push inflation in an oil-importing country of an increase in the world price of oil?

	effect on demand-pull inflation	effect on cost-push inflation
A	increase	increase
B	increase	reduce
C	reduce	increase
D	reduce	reduce

202 – (9708/13_Winter_2022_Q19) – *Government Microeconomic Intervention*

A government wishes to influence the price of a good. It introduces a maximum price, P_{max}, and a minimum price, P_{min}.

The diagram shows these prices relative to the current market price P.



What can be concluded from the diagram?

A Both the maximum and the minimum price will be effective.

B Only the maximum price will be effective.

C Only the minimum price will be effective.

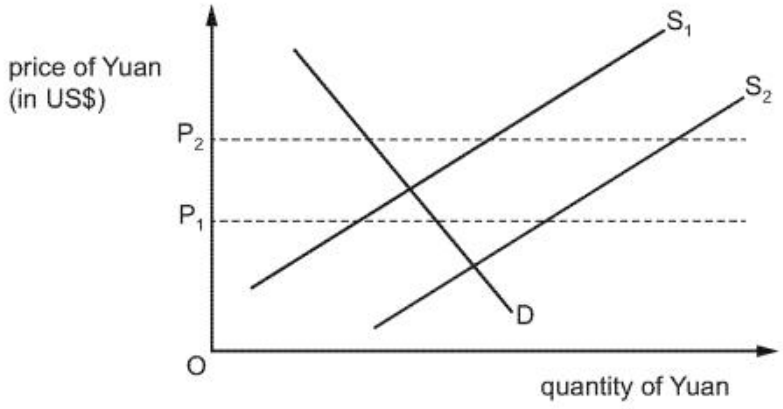
D The market price will continue to operate.

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203 – (9708/11_Winter_2022_Q20) – *Government Microeconomic Intervention*

Assume the Chinese monetary authorities are committed to maintaining the exchange rate of China's currency, the Yuan, against the US$ between P_1 and P_2 on the diagram.



What might they do if supply changed from S_1 to S_2?

A introduce controls on Chinese investment overseas

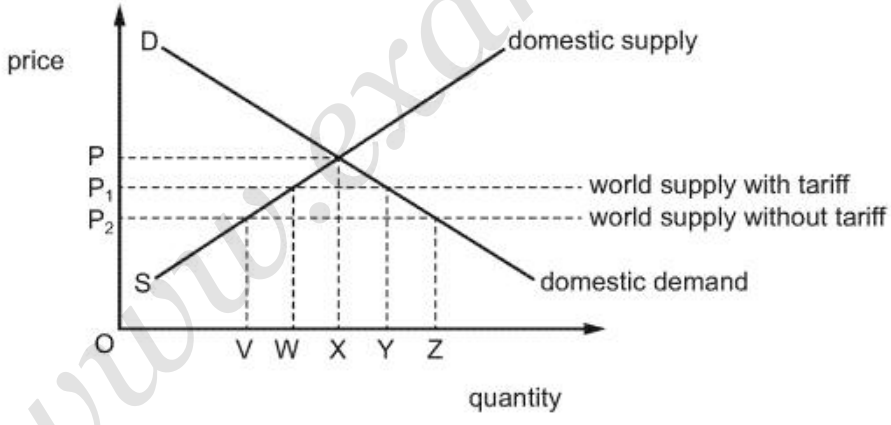
B lower interest rates

C remove tariffs on imports from USA

D sell Yuan on the foreign exchange markets

204 – (9708/13_Winter_2022_Q20) – *Government Microeconomic Intervention*

A government removes the tariff on a product, as shown.



What will be the change in domestic production?

A a reduction of WV

B a reduction of XV

C a reduction of XW

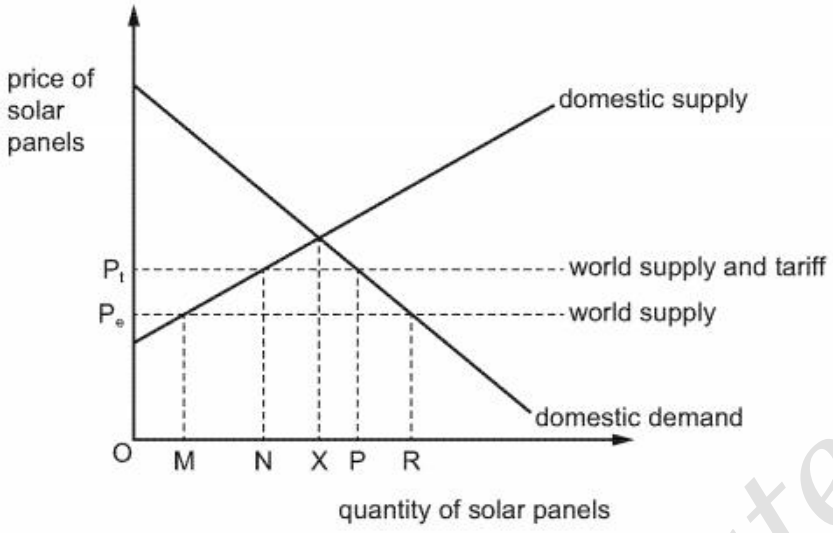
D a reduction of ZY

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205 – (9708/11_Winter_2022_Q21) – *Government Microeconomic Intervention*

The diagram shows the demand and supply curves for solar panels in the US. In 2018, the US put a tariff on imported solar panels.



What is the quantity of imported solar panels after the imposition of the tariff?

A MN **B** MX **C** NP **D** XP

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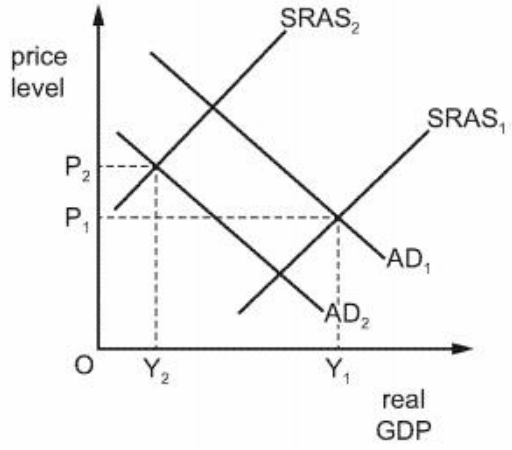
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206 – (9708/11_Winter_2022_Q22) – *Government Microeconomic Intervention*

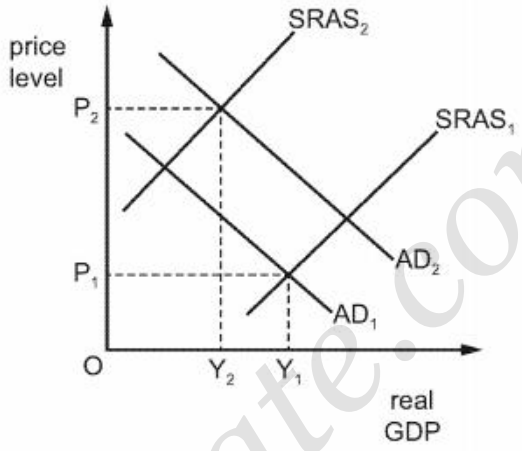
The diagrams show initial equilibrium positions at Y_1P_1.

Which diagram reflects the impact on an economy of higher unit wage costs and an improvement in the balance of trade?

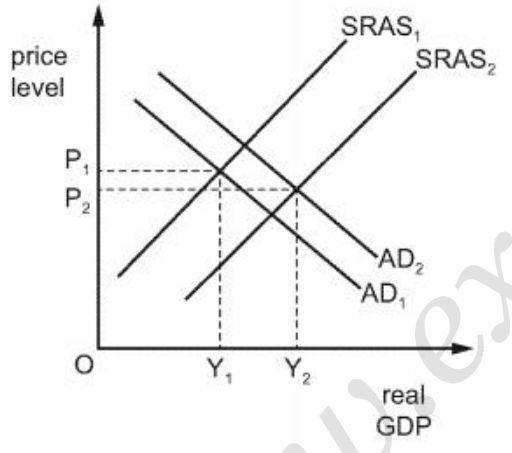
A



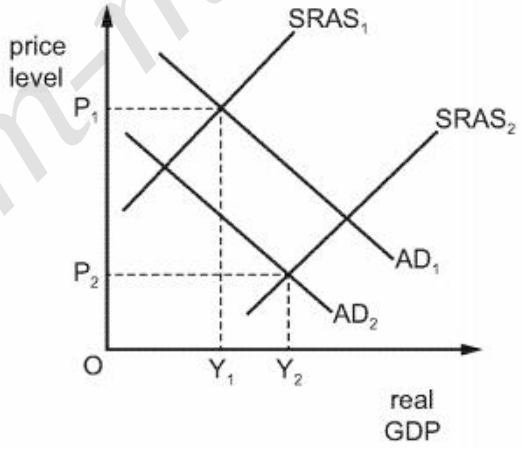
B



C



D



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207 – (9708/11_Winter_2022_Q23) – *Government Microeconomic Intervention*

The table shows information from the current account of the balance of payments for Canada and Singapore in 2019.

	Canada (US$ million)	Singapore (US$ million)
exports of goods	448 360	440 800
imports of goods	462 105	342 805
exports of services	100 350	204 810
imports of services	115 270	119 050
primary income balance	–3 475	–34 340
secondary income balance	–2 060	–6 280

What can be concluded from the table?

A Canada exported more goods than Singapore.

B Canada and Singapore had current account deficits.

C Singapore had a surplus on its trade in goods and services.

D Singapore imported cheaper goods than Canada.

208 – (9708/11_Winter_2022_Q24) – *Government Microeconomic Intervention*

What is a measure of a country's terms of trade index?

A $\frac{\text{price index of exports}}{\text{price index of imports}} \times 100$

B $\frac{\text{price index of imports}}{\text{price index of exports}} \times 100$

C $\frac{\text{total value of exports}}{\text{total value of imports}} \times 100$

D total value of exports – total value of imports

209 – (9708/11_Winter_2022_Q25) – *Government Microeconomic Intervention*

What is likely to cause an increase in the exchange rate of an economy?

A an increase in demand-pull inflation

B an increase in national income

C a decision of the central bank to raise money supply

D a discovery of a natural resource that replaces imports

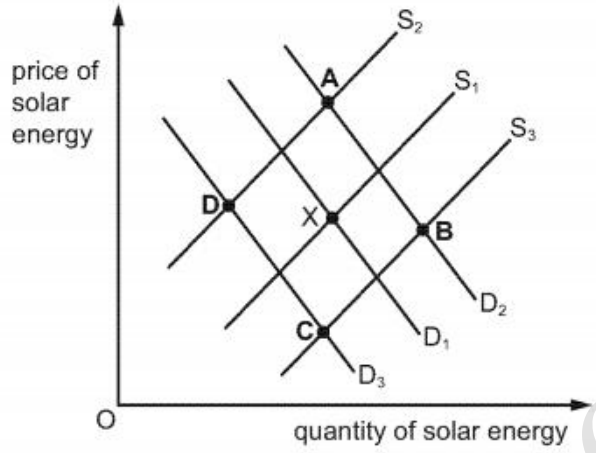
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210 – (9708/11_Summer_2023_Q11) – *Government Microeconomic Intervention*

The diagram shows the demand and supply curves for solar energy in India. The initial equilibrium point is at X.

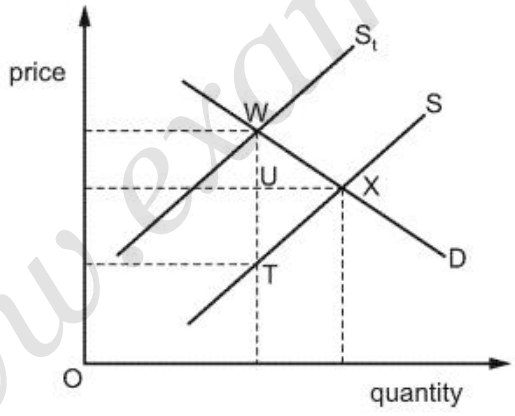
The Indian government increases the subsidy to solar energy producers. At the same time, there is a rise in the price of alternative sources of energy.

What is the new equilibrium position?



211 – (9708/11_Summer_2023_Q12) – *Government Microeconomic Intervention*

A specific tax is placed on the sale of bottles of lemonade. In the diagram, S is the supply curve before imposition of the tax and S_t is the supply curve after tax.



Which distance represents the specific tax on each bottle?

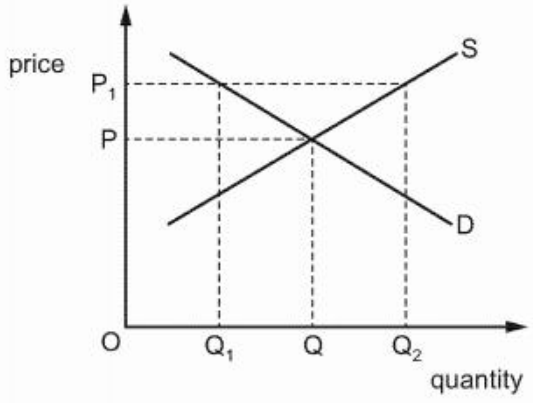
A UT **B** WT **C** WU **D** WX

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212 – (9708/11_Summer_2023_Q14) – *Government Microeconomic Intervention*

The diagram shows the demand and supply curves for a good.



The government fixes a maximum price of OP_1.

What would happen?

A Consumers would have to be rationed to quantity OQ_1.

B The government would have to introduce a subsidy of PP_1.

C The market equilibrium quantity OQ would be demanded and supplied.

D The supply of quantity OQ_2 would be guaranteed.

213 – (9708/12_Summer_2023_Q16) – *Government Microeconomic Intervention*

Which combination of government measures is most likely to increase the consumption of a merit good?

A setting an effective maximum price on the product and paying producers a subsidy

B setting an effective maximum price on the product and imposing an indirect tax on producers

C setting an effective minimum price on the product and paying producers a subsidy

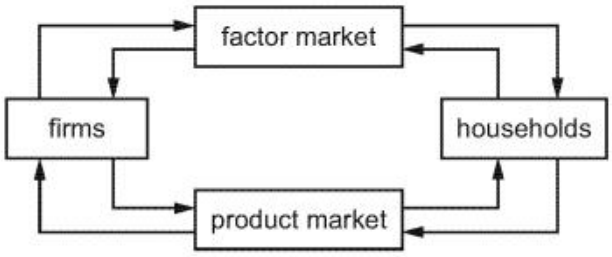
D setting an effective minimum price on the product and imposing an indirect tax on producers

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214 – (9708/12_Summer_2023_Q21) – *Government Microeconomic Intervention*

The diagram shows a basic two-sector circular flow of income.



What can be concluded about the direction of flows?

A Consumer expenditure flows anticlockwise.

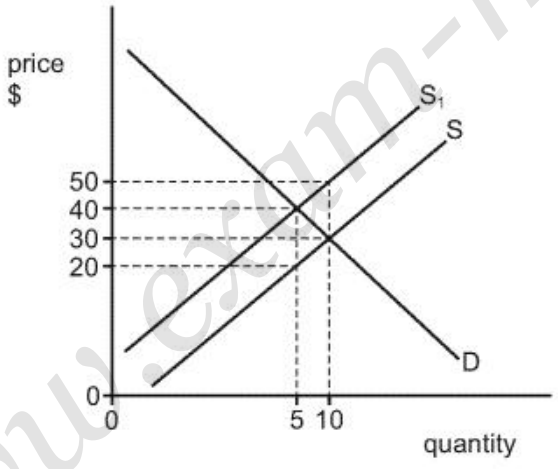
B Goods and services flow clockwise.

C Incomes flow anticlockwise.

D Resources flow anticlockwise.

215 – (9708/13_Summer_2023_Q15) – *Government Microeconomic Intervention*

The diagram shows the impact of a government imposing a unit tax on a demerit good. S is the supply curve before the tax and S_1 is the supply curve after the tax.



What is the after-tax revenue of the firm producing the demerit good?

A $100 **B** $200 **C** $300 **D** $500

216 – (9708/11_Winter_2023_Q14) – *Government Microeconomic Intervention*

A government introduces charges for vehicles using the roads in its capital city.

Which characteristic must the roads have for this to be successful in reducing congestion?

A The roads must be excludable.

B The roads must be merit goods.

C The roads must be non-rivalrous.

D The roads must be public goods.

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217 – (9708/11_Winter_2023_Q15) – *Government Microeconomic Intervention*

The table shows the tax an individual would pay at different levels of income.

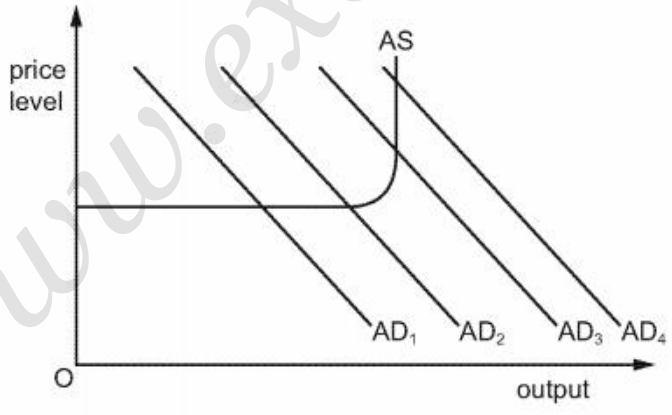
annual income ($)	tax paid ($)
20 000	1 000
30 000	3 000
40 000	6 000
50 000	8 000
60 000	12 000

What is the average rate of taxation and the marginal rate of taxation for an individual with an annual income of $50 000?

	average rate of taxation %	marginal rate of taxation %
A	15	16
B	16	20
C	16	28
D	20	20

218 – (9708/11_Winter_2023_Q16) – *Government Microeconomic Intervention*

A government has increased output with no effect on the price level.



What must have been the initial level of aggregate demand (AD)?

A AD_1 **B** AD_2 **C** AD_3 **D** AD_4

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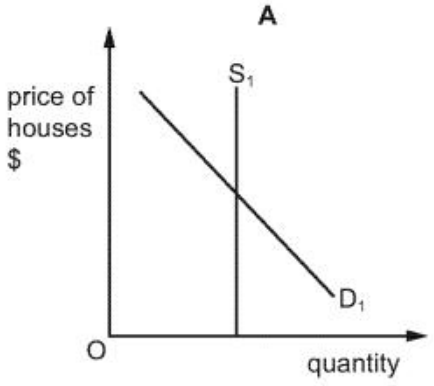
219 – (9708/12_Winter_2023_Q11) – *Government Microeconomic Intervention*

The diagrams show the demand for and the supply of houses.

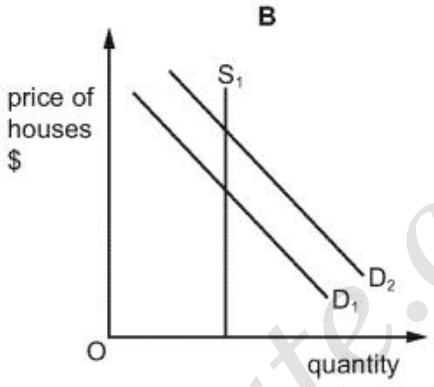
In the short run, the stock of houses for sale, S_1, is fixed. A government decides to allow some agricultural land to be used for building houses and subsidises lower-income buyers of the new houses.

Which diagram shows the long-run situation?

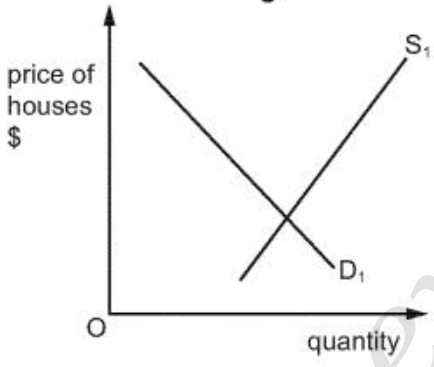
A



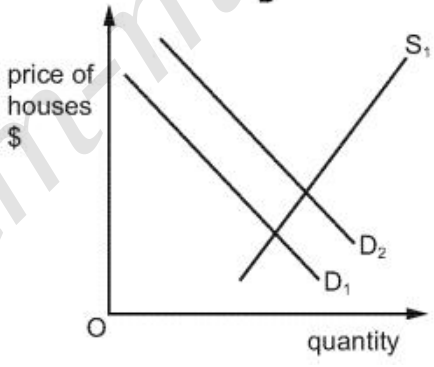
B



C



D



220 – (9708/12_Winter_2023_Q14) – *Government Microeconomic Intervention*

What is most likely to be regressive?

A corporate profit taxes

B state pension benefits

C specific tax on cigarettes

D unemployment benefits

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221 – (9708/12_Winter_2023_Q15) – *Government Microeconomic Intervention*

What is necessary for an action to be classed as a transfer payment?

A It must include a cash payment.

B It must involve a banking transaction.

C It must originate from government activity.

D It must relate to a non-productive activity.

222 – (9708/12_Winter_2023_Q16) – *Government Microeconomic Intervention*

The government imposes a specific indirect tax of $1 on each unit of a good sold.

How does the imposition of the tax shift the demand or supply curve of the good?

A The demand curve of the good will shift vertically downwards by $1.

B The demand curve of the good will shift vertically upwards by $1.

C The supply curve of the good will shift vertically downwards by $1.

D The supply curve of the good will shift vertically upwards by $1.

223 – (9708/12_Winter_2023_Q19) – *Government Microeconomic Intervention*

Country X can produce a product at a lower opportunity cost than country Y.

Which term best describes this statement?

A absolute advantage

B comparative advantage

C specialisation

D terms of trade

224 – (9708/13_Winter_2023_Q15) – *Government Microeconomic Intervention*

What is a likely **disadvantage** of a government's provision of transfer payments to the unemployed?

A decrease in the standard of living

B disincentive to accept paid work

C increase in inequality

D increase in poverty

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225 – (9708/13_Winter_2023_Q16) – *Government Microeconomic Intervention*

Which combination of policies would increase the inequality of the distribution of income and wealth?

	progressive taxes	minimum wage	transfer payments
A	decrease	increase	reduce
B	decrease	reduce	reduce
C	increase	increase	increase
D	increase	reduce	increase

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1 – (9708/11_Summer_2017_Q19) – *The Macro Economy*

In a closed economy a rise in aggregate demand is needed to increase output in the country.

What is necessary to achieve this increase in output in the economy?

A enough capacity to produce the extra goods and services demanded

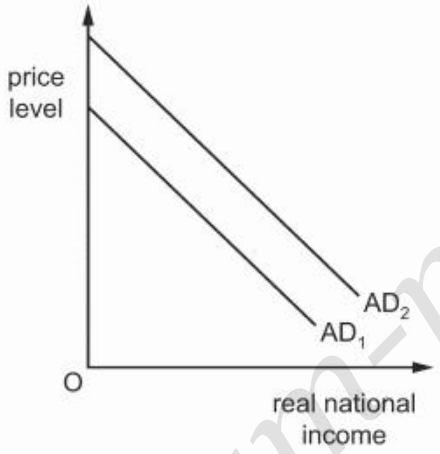
B free trade to allow imports to make up any shortages in supply

C government spending to be less than tax revenue

D reduced credit to lower inflation

2 – (9708/12_Summer_2017_Q19) – *The Macro Economy*

The diagram shows a shift in the aggregate demand curve of an economy from AD_1 to AD_2.



What could have caused this shift?

A an increase in expenditure on imports

B an increase in government tax rates

C an increase in the international trade deficit

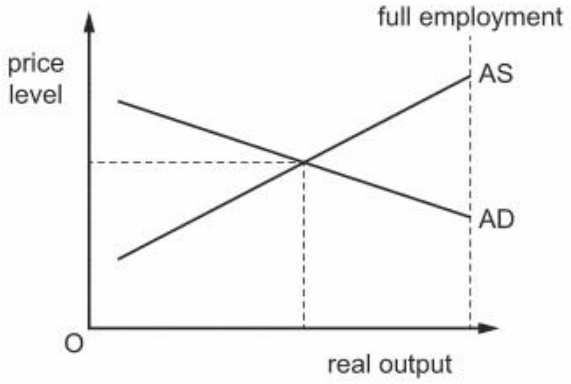
D an increase in the money supply

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3 – (9708/13_Summer_2017_Q19) – *The Macro Economy*

From the initial position of equilibrium shown, there is an increase in government expenditure on goods and services and simultaneously a reduction in the overall efficiency in the production of goods and services.



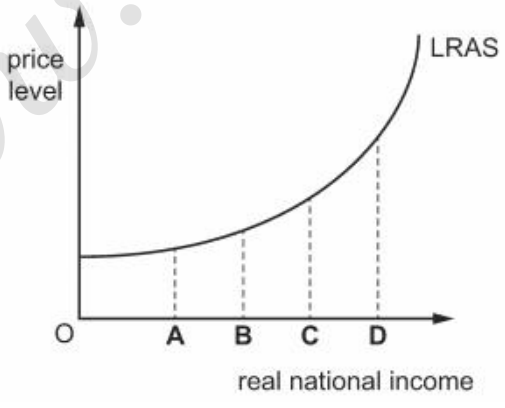
What best describes the likely impact on the economy?

	equilibrium level of national income	equilibrium level of prices
A	falls	uncertain
B	no change	no change
C	rises	rises
D	uncertain	rises

4 – (9708/11_Summer_2017_Q20) – *The Macro Economy*

The diagram shows the long-run aggregate supply (LRAS) curve of an economy.

At which equilibrium level of national income is a balance of trade surplus likely to cause the greatest inflationary increase for the economy?



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5 – (9708/12_Summer_2017_Q20) – *The Macro Economy*

Which statement about changing price levels is correct?

A Anyone on a fixed income has rising real income during deflation.

B Government revenue from indirect taxes falls during inflation.

C Producers prefer deflation to inflation.

D Savers prefer index-linked savings when there is deflation rather than inflation.

6 – (9708/13_Summer_2017_Q20) – *The Macro Economy*

What does an aggregate demand curve show?

A the level of aggregate demand corresponding to different levels of aggregate supply

B the aggregate output demanded corresponding to different average price levels

C the equilibrium price level corresponding to different levels of aggregate expenditure

D the equilibrium level of income corresponding to different levels of aggregate expenditure

7 – (9708/12_Summer_2017_Q21) – *The Macro Economy*

Which combination of events is most likely to cause inflation?

	exchange rate	direct taxes	money supply
A	falling	falling	falling
B	falling	falling	rising
C	rising	rising	rising
D	rising	rising	falling

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8 – (9708/13_Summer_2017_Q21) – *The Macro Economy*

The table shows the year-on-year percentage changes for a country's consumer price index from 2009 to 2015.

year	% change
2009	18.0
2010	11.7
2011	8.6
2012	4.6
2013	4.9
2014	6.1
2015	4.5

Which statement about the price level is correct?

A It fell over the first half of the period.

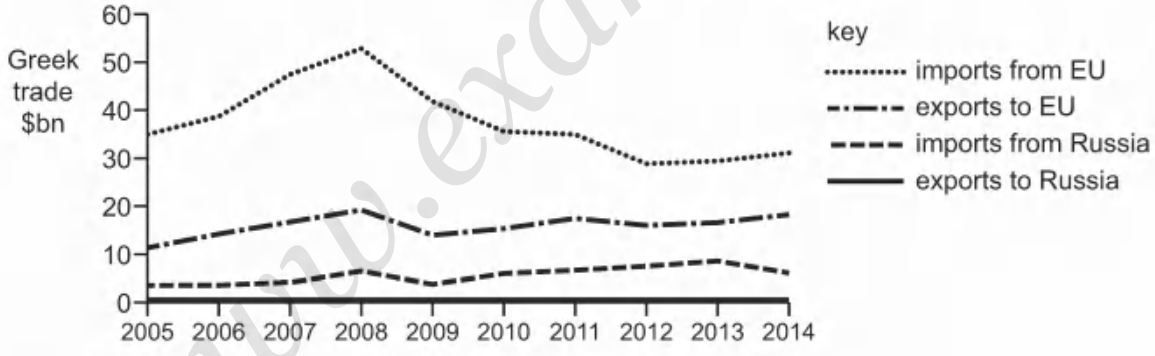
B It was at its highest at the start of the period.

C It was at its lowest at the end of the period.

D It was at its lowest at the start of the period.

9 – (9708/11_Summer_2017_Q22) – *The Macro Economy*

The diagram shows Greece's trade position with the EU and Russia between 2005 and 2014.



What can be concluded about the period 2005 to 2014?

A Greece's annual trade deficit with the EU rose continuously.

B Greece's annual trade deficit with the EU was lower in 2014 than in 2005.

C Greece's annual trade deficit with the EU fell continuously.

D Greece's annual trade deficit with the EU was smaller than its deficit with Russia.

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10 – (9708/12_Summer_2017_Q22) – *The Macro Economy*

The table gives information about the trade between Singapore and New Zealand during 2001, the first year after they signed a free trade agreement. The values are given both in Singapore dollars (S$) and New Zealand dollars (NZ$).

	S$ m	NZ$ m	percentage change from 2000
Singapore exports to New Zealand	508	618	+20%
Singapore imports from New Zealand	331	403	–17%

What can be concluded from the table?

A New Zealand gained more than Singapore from the trade agreement.

B New Zealand's trade position with Singapore improved in 2001.

C Singapore had a trade surplus with New Zealand in 2001.

D The exchange rate in 2001 was approximately NZ$ 1 = S$ 1.2.

11 – (9708/13_Summer_2017_Q22) – *The Macro Economy*

An Indian multinational company receives profits from its factories based in the UK. It then buys a US-owned firm based in the UK.

How will these transactions appear in India's balance of payments?

	the remittance of profit	the purchase of the US-owned firm
A	a credit item in the current account	a debit item in the financial account
B	a credit item in the financial account	a debit item in the current account
C	a debit item in the current account	a credit item in the financial account
D	a debit item in the financial account	a credit item in the current account

12 – (9708/11_Summer_2017_Q23) – *The Macro Economy*

There is a rise in the exchange rate of the US$.

Which would cause the greatest increase in the US current account deficit?

A a high level of domestic unemployment

B a high price elasticity of demand for imports

C a low price elasticity of demand for exports

D a low rate of domestic inflation

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13 – (9708/12_Summer_2017_Q23) – *The Macro Economy*

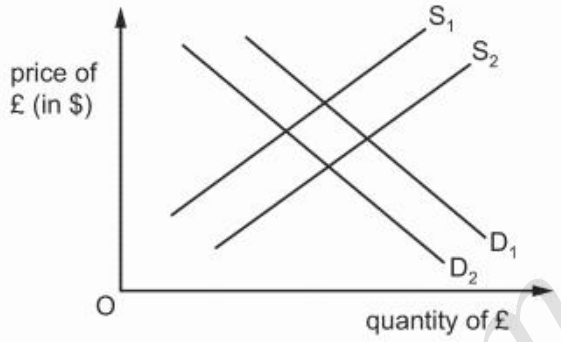
Country X conducts 60% of its trade with country Y and 40% of its trade with country Z. The initial value of the trade weighted exchange rate index of country X is 100.

What will be its new trade weighted exchange rate index value if its currency rises in value by 20% against the currency of Y and falls by 10% against the currency of Z?

A 84 **B** 92 **C** 108 **D** 116

14 – (9708/13_Summer_2017_Q23) – *The Macro Economy*

In the diagram D_1 and S_1 are the initial supply and demand curves of the pound sterling (£) on the foreign exchange markets.



What will cause the demand curve to shift to D_2 and the supply curve to S_2?

A a decrease in the price levels of other countries

B a depreciation of the pound sterling

C a reduction in the level of UK import tariffs

D an increase in UK interest rates

15 – (9708/11_Summer_2017_Q24) – *The Macro Economy*

Since 2000 a country's export prices have increased on average by 50% and its import prices by 25%.

What is the current figure for the country's terms of trade (2000 = 100)?

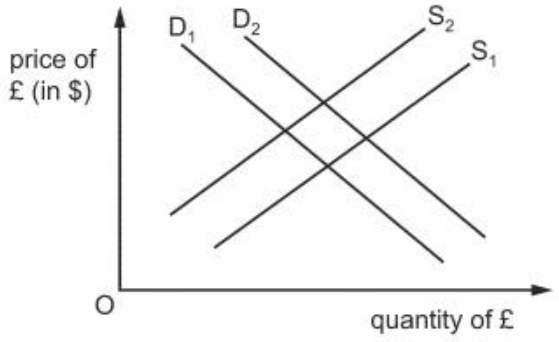
A 75 **B** 83 **C** 120 **D** 125

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16 – (9708/12_Summer_2017_Q24) – *The Macro Economy*

In the diagram D_1 and S_1 are the initial supply and demand curves of the pound sterling (£) on the foreign exchange markets.



What will cause the demand curve to shift to D_2 and the supply curve to S_2?

A a depreciation of the pound sterling

B a decrease in UK interest rates

C an increase in the price levels of other countries

D an increase in the level of UK import tariffs

17 – (9708/13_Summer_2017_Q24) – *The Macro Economy*

An economy's terms of trade fell from the base year of 100 to 90.

Which changes in the export price index and the import price index would have caused this?

	export price index change	import price index change
A	0	–10
B	0	+10
C	–10	0
D	–10	+10

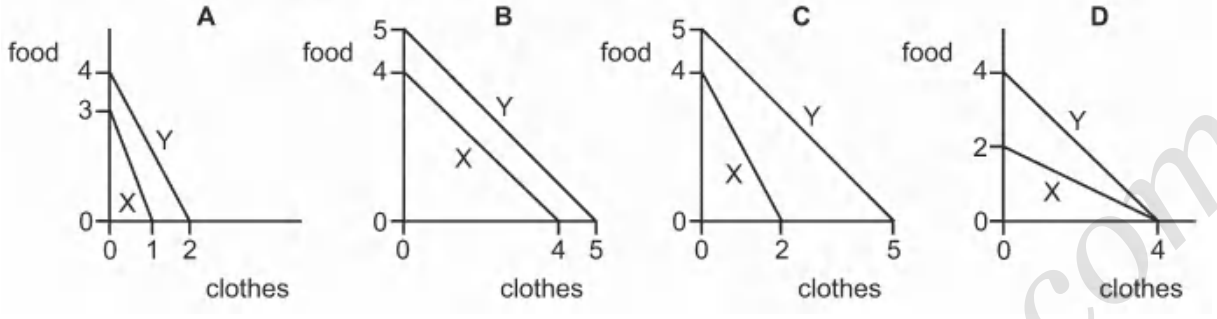
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18 – (9708/11_Summer_2017_Q25) – *The Macro Economy*

Each diagram shows the production possibility curves of two economies, X and Y, which produce food and clothes.

In which diagram would both economies benefit by specialising in the good in which they have comparative advantage and trading at an exchange rate of 1 unit of clothes to 1.5 units of food?



19 – (9708/12_Summer_2017_Q25) – *The Macro Economy*

A country's terms of trade currently stands at 150 (base year 2000 = 100).

Since 2000 the average price the country has received for its exports has increased by 20%.

What has been the change in the average price it has paid for its imports?

A –25% **B** –20% **C** +20% **D** +25%

20 – (9708/13_Summer_2017_Q25) – *The Macro Economy*

Kenya produces some of the finest teas much of which it exports. Its climate is not so suited to producing olives but the olives can be sold for a higher price per sack.

What would definitely happen if a Kenyan company used some of the land where tea is grown to plant olive trees?

A The company would have a comparative advantage in trade.

B The company's revenue would increase.

C There would be a decrease in the credit side of the trade in goods and services.

D There would be an opportunity cost from lost tea production.

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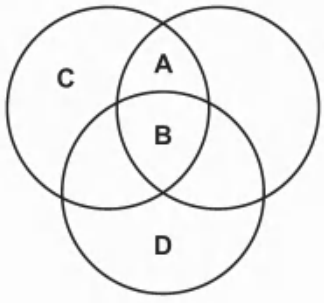
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21 – (9708/11_Summer_2017_Q26) – *The Macro Economy*

Four countries, **A**, **B**, **C** and **D**, trade internationally.

Each circle in the diagram represents a free trade area between the countries within the circle. A country can belong to more than one free trade area. Countries outside of a circle face trade barriers.

Which country has the greatest opportunity to benefit from free international trade?



22 – (9708/12_Summer_2017_Q26) – *The Macro Economy*

The table shows the ability of two countries, P and Q, to produce two goods, Y and Z.

	production of good Y per person	production of good Z per person
country P	1800	2800
country Q	1500	2000

Which statement is correct?

A P has an absolute advantage in Y and Q has an absolute advantage in Z.

B P has an absolute advantage in Z and Q has a comparative advantage in Y.

C P has a comparative advantage in Y and Q has a comparative advantage in Z.

D P has a comparative advantage in Z and Q has an absolute advantage in Y.

23 – (9708/11_Summer_2017_Q27) – *The Macro Economy*

A small trading country decides on a policy of import substitution by producing for itself.

What is the most likely reason for this policy?

A to follow the principle of absolute advantage

B to influence world prices in international markets

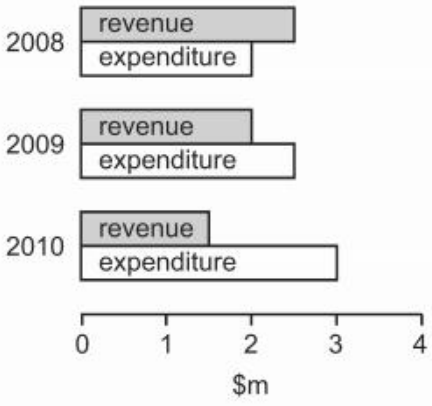
C to protect local industries from foreign competition

D to substitute imported machines for local labour

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24 – (9708/11_Summer_2017_Q28) – *The Macro Economy*

The diagram shows a government's revenue and expenditure for three years.



What can be concluded from the diagram?

A A budget deficit was replaced by a budget surplus.

B A government borrowing requirement emerged.

C The economy moved from a recession into a boom period.

D The yield from taxation continuously increased.

25 – (9708/13_Summer_2017_Q28) – *The Macro Economy*

What is a deflationary fiscal measure?

A reducing interest rates

B reducing the money supply

C increasing taxes

D increasing government expenditure

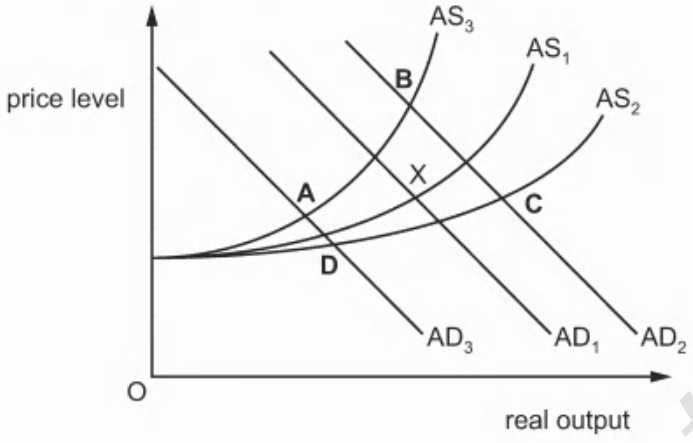
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26 – (9708/11_Winter_2017_Q19) – *The Macro Economy*

In its recent budget a government increased defence expenditure and the amount spent on training to increase the productivity of the workforce. The initial equilibrium point is shown by X on the aggregate demand, AD, and aggregate supply, AS, diagram.

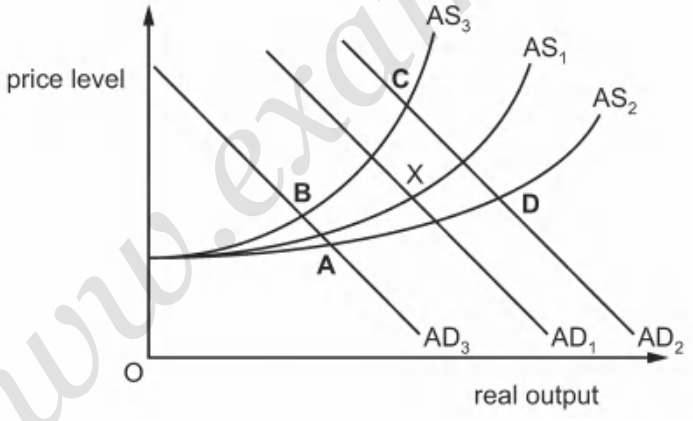
What would be the equilibrium point after these changes?



27 – (9708/12_Winter_2017_Q19) – *The Macro Economy*

In its recent budget a government reduced total expenditure while increasing the amount spent on training to increase the productivity of the workforce. The initial equilibrium point is shown by X on the aggregate demand (AD) and aggregate supply (AS) diagram.

What would be the equilibrium point after these changes?

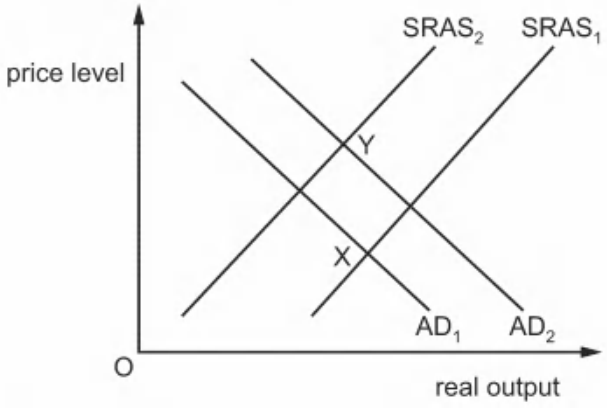


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28 – (9708/13_Winter_2017_Q19) – *The Macro Economy*

The diagram shows changes in aggregate demand and aggregate supply that have resulted in a move from equilibrium point X to equilibrium point Y.



Which combination of events could have caused this change?

A higher interest rates and the discovery of new natural resources

B increased consumer confidence and reduced raw material prices

C less business confidence and higher indirect taxes

D lower exchange rate and net outward migration

29 – (9708/11_Winter_2017_Q20) – *The Macro Economy*

The table shows a country's consumer price index for March and April 2015.

	consumer price index
March 2015	151.3
April 2015	148.6

Which statement correctly describes what happened between these two months?

A There was a decrease in the annual rate of inflation.

B There was a decrease in real interest rates.

C There was an increase in the purchasing power of money.

D There was an increase in the standard of living.

30 – (9708/13_Winter_2017_Q20) – *The Macro Economy*

What would be likely to decrease inflation in an economy?

A a decrease in consumer saving

B a decrease in unemployment

C an increase in labour productivity

D an increase in taxes on imports

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31 – (9708/11_Winter_2017_Q21) – *The Macro Economy*

What would be likely to increase inflation in an economy?

A an increase in consumer saving

B an increase in interest rates

C an increase in labour productivity

D an increase in taxes on imports

32 – (9708/12_Winter_2017_Q21) – *The Macro Economy*

What does the current account of the balance of payments include?

A government reserves and foreign aid

B government revenue and government spending

C imports and exports of goods and services

D inflows and outflows of trade and capital

33 – (9708/13_Winter_2017_Q21) – *The Macro Economy*

What is the average weighted price change illustrated by the table below?

product	percentage of income spent on product	price change %
P	10	+8
Q	15	+6
R	25	+4
S	50	–9

A –1.8% **B** 4.5% **C** 7.2% **D** 9.0%

34 – (9708/11_Winter_2017_Q22) – *The Macro Economy*

In 2014 a rich foreign businessman bought a UK football club.

What would have been the immediate effect of such an investment?

A a fall in the demand for footballers in the UK

B a fall in the earnings of footballers in the UK

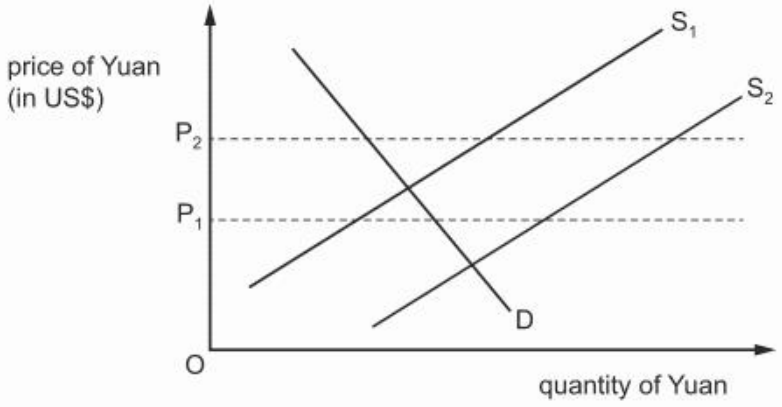
C an inflow in the UK balance of payments

D an inflow in the UK balance of trade

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35 – (9708/12_Winter_2017_Q22) – *The Macro Economy*

Assume the Chinese monetary authorities are committed to maintaining the exchange rate of China's currency, the Yuan, against the US$ between P_1 and P_2 on the diagram.



What might they do if supply changed from S_1 to S_2?

A introduce controls on Chinese investment overseas

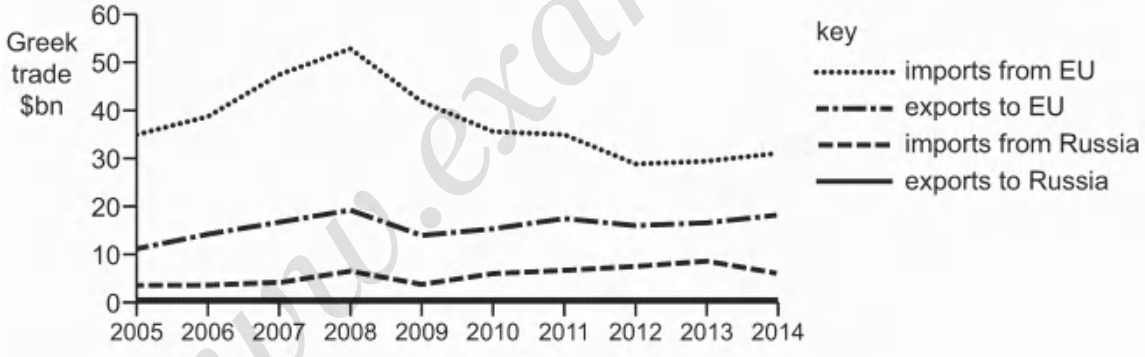
B lower interest rates

C remove tariffs on imports from USA

D sell Yuan on the foreign exchange markets

36 – (9708/13_Winter_2017_Q22) – *The Macro Economy*

The diagram shows Greece's trade position with the EU and Russia between 2005 and 2014.



What happened to Greek trade balances over this period?

	balance with the EU	balance with Russia
A	an increased deficit	an increased surplus
B	an increased surplus	a reduced surplus
C	a reduced deficit	an increased deficit
D	a reduced surplus	a reduced deficit

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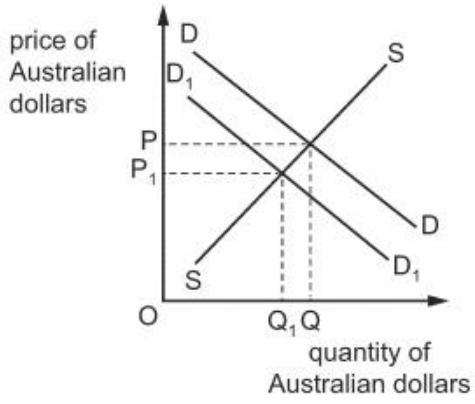
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37 – (9708/11_Winter_2017_Q23) – *The Macro Economy*

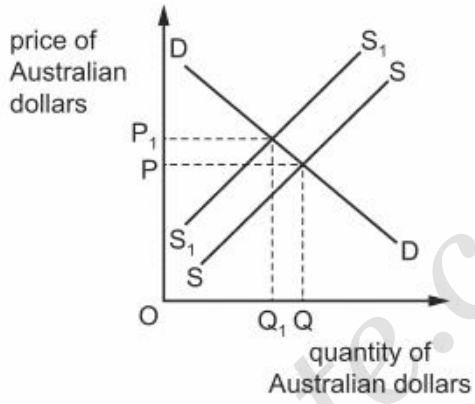
Australia's spending on imports falls and, at the same time, investment abroad by Australian firms declines.

Which diagram shows the immediate effect of these changes on the market for the Australian dollar?

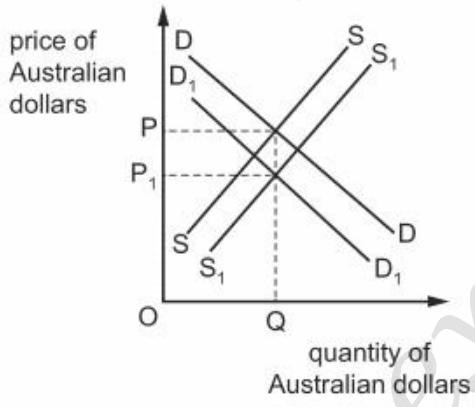
A



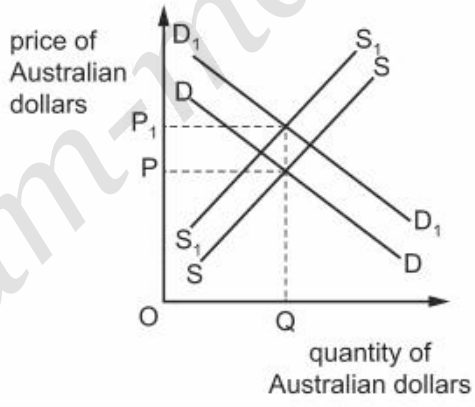
B



C



D



38 – (9708/12_Winter_2017_Q23) – *The Macro Economy*

In the UK in July 2014, £1 = US $1.71.

By the end of August 2014, £1 = US $1.65.

What is most likely to explain this?

A an increase in UK exports

B an increase in UK interest rates

C increasing profitability of UK companies

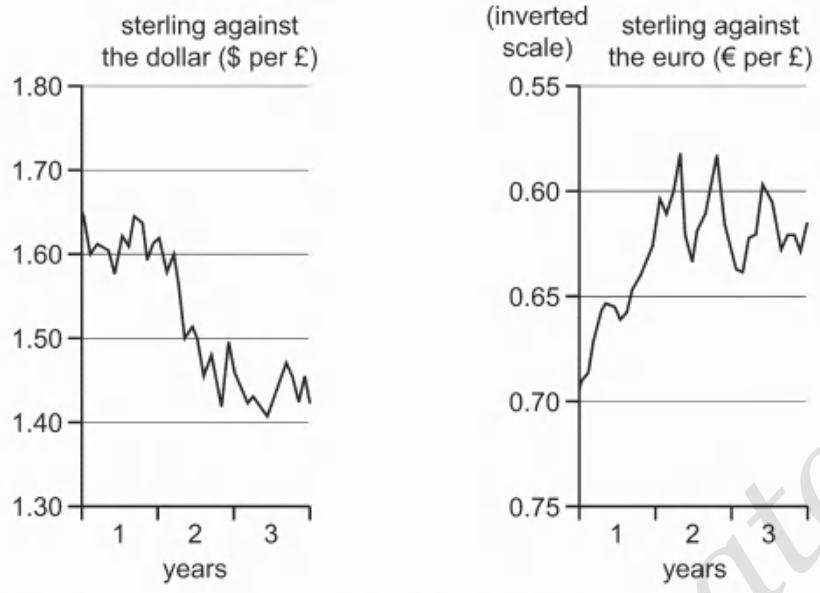
D increasing size of UK national debt

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39 – (9708/13_Winter_2017_Q23) – *The Macro Economy*

The graphs show the changes in the exchange rates of the £ sterling against the US$ and against the euro. The exchange rate of sterling against the euro is shown by an inverted scale.



Which statement about the period year 1 to year 3 is correct?

A The £ appreciated against the $ and the €.

B The £ appreciated against the $ and depreciated against the €.

C The £ depreciated against the $ and the €.

D The £ depreciated against the $ and appreciated against the €.

40 – (9708/12_Winter_2017_Q24) – *The Macro Economy*

Which formula is used to calculate a country's terms of trade?

A index of export prices – index of import prices

B index of import prices – index of export prices

C $\frac{\text{index of export prices}}{\text{index of import prices}} \times 100$

D $\frac{\text{index of import prices}}{\text{index of export prices}} \times 100$

41 – (9708/13_Winter_2017_Q24) – *The Macro Economy*

What has happened when a country's terms of trade are said to have moved in a favourable direction?

A Each unit of imports costs more exports.

B More foreign currency enters the country to pay for exports.

C The monetary value of exports and imports is equalised.

D The ratio of the index of export prices to the index of import prices increases.

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42 - (9708/11_Winter_2017_Q25) - *The Macro Economy*

The introduction of the euro as the common currency of much of Western Europe created a powerful economic group.

What is least likely to have been the intention?

A faster economic growth in the region

B greater labour mobility and employment in the region

C more international trade within the region

D more international trade with non-members

43 - (9708/12_Winter_2017_Q25) - *The Macro Economy*

Country X forms a customs union with country Y.

X then ceases to produce its own cars and instead imports cars from Y. Country Y diverts some of its car exports to X from country Z.

How is this likely to affect car prices in X and Z?

	country X	country Z
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

44 - (9708/13_Winter_2017_Q25) - *The Macro Economy*

What is the least likely outcome for participating countries of a move towards freer trade?

A a greater product choice

B a more equal distribution of income

C greater international specialisation

D higher standards of living

45 - (9708/11_Winter_2017_Q26) - *The Macro Economy*

Country X has a comparative advantage in producing wheat and country Y in producing cars. However, the countries choose not to specialise and trade.

What is a valid reason for this behaviour?

A The cost of transport is high relative to the opportunity cost differences between the countries.

B The exchange rate lies within the countries' opportunity cost ratios.

C There is immobility of factors of production between the countries.

D Trade is based on absolute rather than comparative advantage.

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46 – (9708/12_Winter_2017_Q26) – *The Macro Economy*

The table shows the ability of two countries to produce two commodities when they use all of their resources for that product.

country	maximum output of rice	maximum output of wheat
X	2000	2000
Y	4000	2000

Which statement is correct?

A Country X has an absolute advantage in wheat.

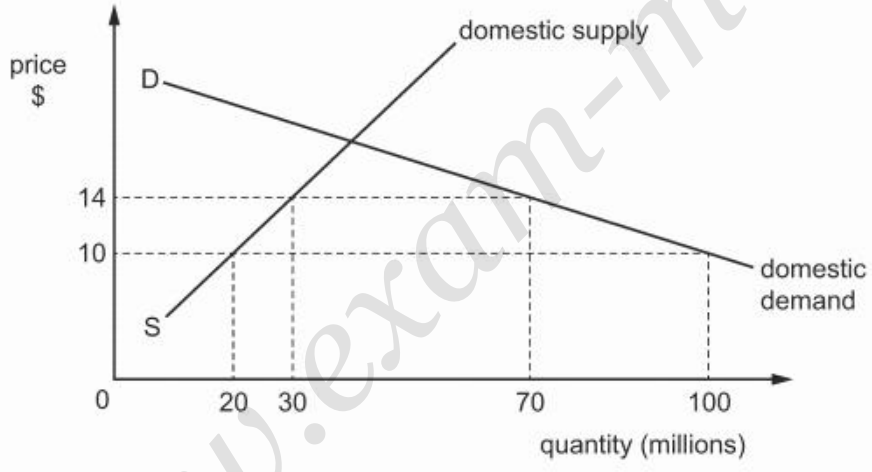
B Country Y has an absolute advantage in wheat.

C Country X has a comparative advantage in wheat.

D Country Y has a comparative advantage in wheat.

47 – (9708/13_Winter_2017_Q26) – *The Macro Economy, Government Macro Intervention*

The diagram shows that the imposition of a tariff raises a product's world price from $10 to $14.



What was the change in domestic producers' income as a result of the tariff?

A It rose by $120 million.

B It rose by $160 million.

C It rose by $220 million.

D It rose by $280 million.

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48 – (9708/11_Winter_2017_Q27) – *The Macro Economy*

What is **not** an example of protectionism?

A a ban on the imports of chicken products

B import tariffs on agricultural products

C maximum supermarket food prices

D strict health and safety requirements

49 – (9708/13_Winter_2017_Q27) – *The Macro Economy*

What is a disadvantage when a quota replaces a tariff to reduce imports?

A It is harder to anticipate its impact.

B It is less effective at raising revenue for the government.

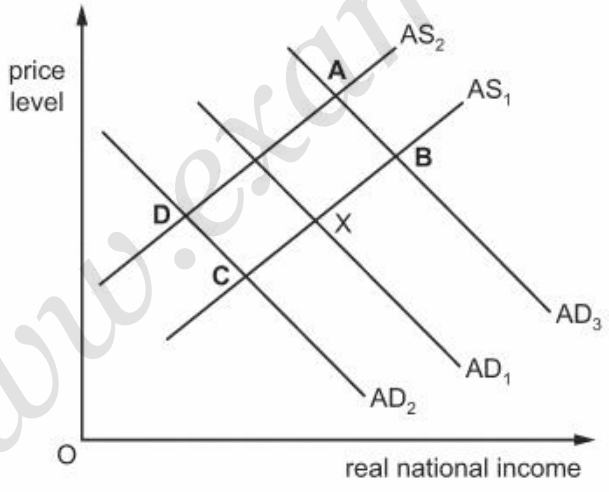
C It is less effective when imports are necessities.

D It prevents any involvement of market forces.

50 – (9708/11_Winter_2017_Q28) – *Government Microeconomic Intervention, The Macro Economy*

The government of a country plans to cut income tax rates. The initial equilibrium for the country is represented by point X on the diagram.

Which new equilibrium point would an economist predict as the result?

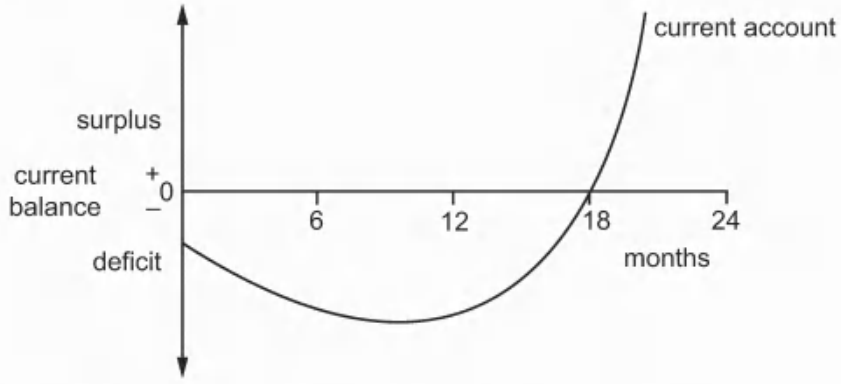


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51 – (9708/13_Winter_2017_Q29) – *The Macro Economy, Government Macro Intervention*

A country at the beginning of a given period seeks to improve the current account of its balance of payments by devaluing its currency. The effect of this policy in the following two years is shown in the diagram.



Which statement is likely to explain this performance?

A In the short run, the price elasticity of demand for exports and imports was very low.

B The domestic inflation rate fell after 12 months before having the desired result.

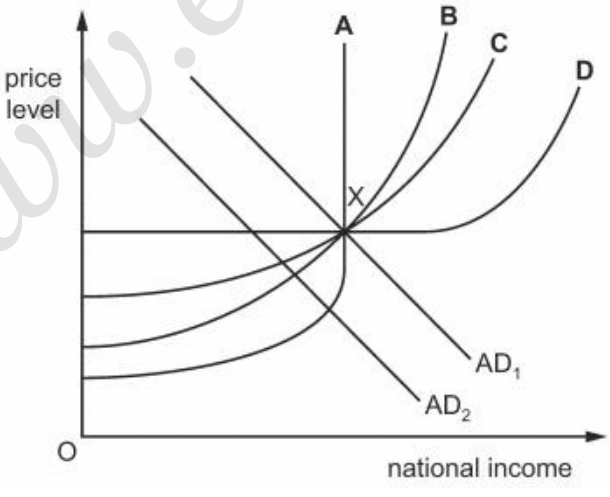
C The elasticity of demand for imports diminished after 12 months.

D The policy was ineffective and other factors must have led to an improvement in the current account.

52 – (9708/12_Winter_2017_Q30) – *The Macro Economy*

The diagram shows four possible aggregate supply curves and an equilibrium point X. A government employs deflationary fiscal policy in order to reduce the rate of inflation in its economy. This shifts aggregate demand to AD_2.

With which AS curve would this policy be most effective?



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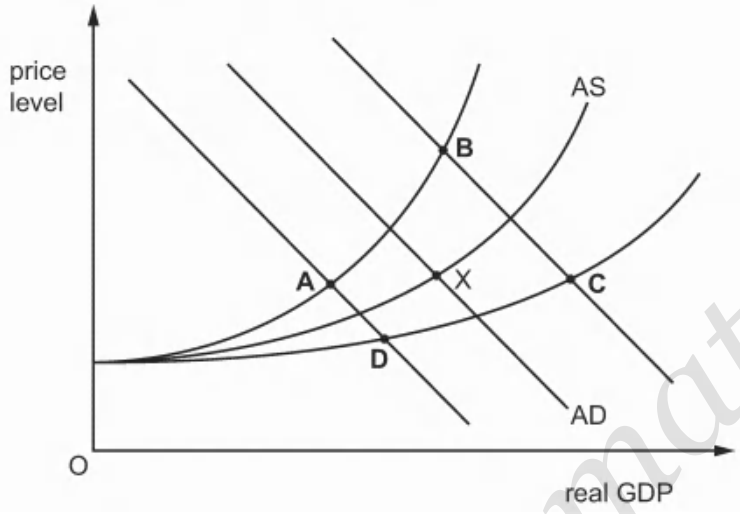
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53 – (9708/11_Summer_2018_Q19) – *The Macro Economy*

In its 2016 budget statement, the South African government proposed stimulating business activity by the removal of regulations. It also announced that government expenditure was expected to grow by 7.1%.

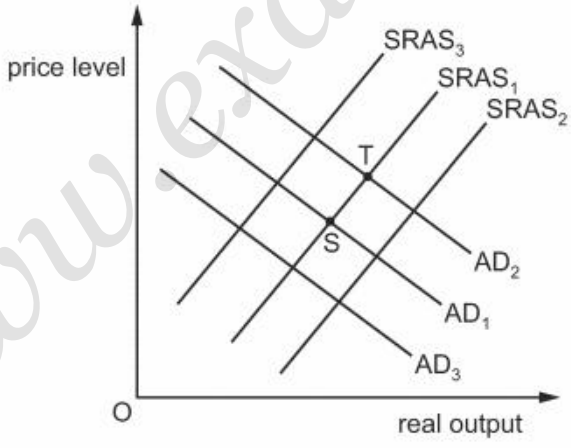
The diagram shows aggregate demand (AD) and aggregate supply (AS) for the South African economy. X is the original equilibrium point.

Which new equilibrium would result from the changes?



54 – (9708/12_Summer_2018_Q19) – *The Macro Economy*

The diagram shows short-run aggregate supply and demand in an economy, where the initial equilibrium is at S.



What is most likely to cause a movement from S to T?

A an increase in consumer expenditure and an increase in productivity

B an increase in consumer expenditure and a reduction in imports

C an increase in education and training and an increase in income tax

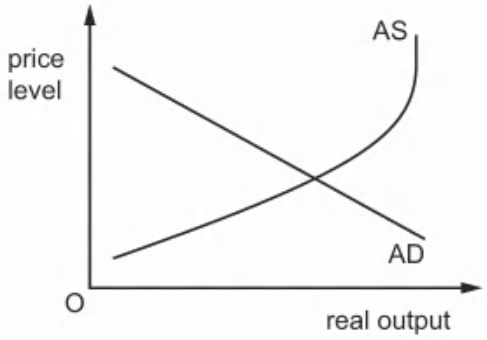
D an increase in the exchange rate and a reduction in corporation tax

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55 – (9708/13_Summer_2018_Q19) – *The Macro Economy*

What is both a valid statement and consistent with the features of the diagram?



A AS cannot be increased beyond some level of real output.

B Consumption is a component of AD and is lower when the general level of prices is lower.

C Investment is a component of AS and is independent of the general level of prices.

D The greater the demand for a country's exports, the lower will be AD.

56 – (9708/11_Summer_2018_Q20) – *The Macro Economy*

What would be certain to cause a fall in a country's cost of living?

A a fall in real incomes

B a fall in the inflation rate

C a negative inflation rate

D a reduction in direct tax rates

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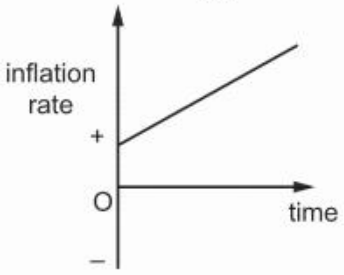
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57 – (9708/12_Summer_2018_Q20) – *The Macro Economy*

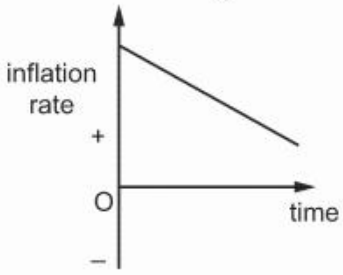
The diagrams show the inflation rate over time in four countries.

Which country experiences a falling cost of living throughout the period?

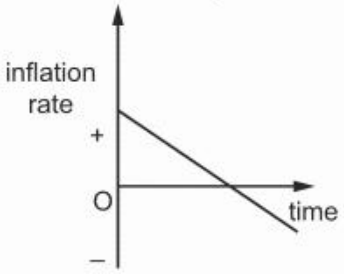
A



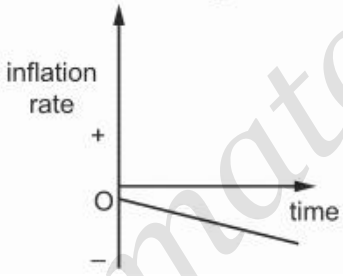
B



C



D



58 – (9708/13_Summer_2018_Q20) – *The Macro Economy*

The average consumer divides his expenditure between food, clothing, accommodation and transport in the ratio 2 : 1 : 4 : 3.

During the course of a year, the price of food falls by 2%, the price of clothing increases by 4%, the price of accommodation increases by 10% and the price of transport remains constant.

Assuming that the weights of a price index reflect the expenditure of the average consumer, what is the increase in the index over the year?

A 2.5% **B** 4% **C** 10% **D** 12%

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59 – (9708/11_Summer_2018_Q21) – *The Macro Economy*

The table gives figures for household spending in the UK economy between 2008 and 2010.

	nominal household consumption spending (£ million)	real household consumption spending (£ million)
2008	878 024	878 024
2009	858 242	846 961
2010	900 204	855 302

What can be concluded from the figures?

A All households bought more goods and services in 2010 than in 2008.

B Households saved more in 2008 than in 2010.

C Living standards were lower in 2009 than 2010.

D The rate of inflation was higher in 2010 than in 2009.

60 – (9708/12_Summer_2018_Q21) – *The Macro Economy*

A government statistical office measured changes in income from employment, pensions and benefits, then subtracted income tax and welfare contributions and adjusted for inflation.

What did the final figure represent?

A changes in nominal income

B changes in nominal net earnings

C changes in real disposable income

D changes in real gross earnings

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61 – (9708/13_Summer_2018_Q21) – *The Macro Economy*

The table shows an extract from a country's current account of its balance of payments accounts.

credits	$ million
export of goods	G
export of services	204 465
total exports of goods and services	511 275

debits	$ million
import of goods	417 006
import of services	126 369
total imports of goods and services	543 375

balance	$ million
trade in goods	–110 196
trade in services	H
total trade in goods and services	–32 100

What is the value of export of goods, G, and what is the value of the balance of trade in services, H?

	export of goods, G $ million	trade in services, H $ million
A	306 810	78 096
B	306 810	142 296
C	715 740	78 096
D	715 740	142 296

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62 – (9708/11_Summer_2018_Q22) – *The Macro Economy*

The table shows trade in goods and services for a selection of countries in 2005 and 2014.

	trade in goods and services (US$ millions)			
	2005		2014	
	exports	imports	exports	imports
Argentina	46 892	34 797	82 026	79 194
Brazil	133 055	96 611	264 063	318 799
Ecuador	11 480	11 851	28 935	30 215
Mexico	230 369	245 100	418 952	433 977

What can be concluded about the balances of trade in goods and services from the table?

A Argentina had a larger surplus in 2014 than in 2005.

B Brazil had a surplus in 2005 and a deficit in 2014.

C Ecuador had a deficit in 2005 and a surplus in 2014.

D Mexico had a larger deficit in 2005 than in 2014.

63 – (9708/12_Summer_2018_Q22) – *The Macro Economy*

The table shows all of the items on the current account of a country's balance of payments.

	$ million
exports of goods	143
imports of goods	156
exports of services	75
imports of services	72
net transfers	+5

What is the value of the current account balance?

A $5 m deficit

B $10 m deficit

C $13 m deficit

D $3 m surplus

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64 – (9708/13_Summer_2018_Q22) – *The Macro Economy, Government Macro Intervention*

In June 2016 the UK voted to leave the European Union. The table shows what happened to the value of the pound sterling before and after the vote.

June	Sept
£1 = $1.48	£1 = $1.32

The UK is a major trading nation.

What is likely to be the short-term impact of the changes in the value of the pound sterling on the UK economy?

A increased disinflation

B increase in cost-push inflation

C more purchasing power of money

D reduced demand-pull inflation

65 – (9708/11_Summer_2018_Q23) – *The Macro Economy, Government Macro Intervention*

A newspaper headline stated that the Australian car industry has been affected by the strength of the Australian dollar.

What would **not** be an effect caused by a strong rising Australian dollar?

A Reduced foreign demand for Australian cars caused increased unemployment.

B The price of exports of Australian cars became more expensive.

C The price of foreign competitive cars became less expensive.

D The price of imports of car parts became more expensive.

66 – (9708/12_Summer_2018_Q23) – *The Macro Economy*

Following a long period of depreciation of the US$, both the US and UK monetary authorities raised their domestic interest rate.

What will happen to the value of the exchange rate of the US$ in terms of UK£?

A It will fall.

B It will remain unchanged.

C It will rise.

D The outcome is uncertain.

67 – (9708/13_Summer_2018_Q23) – *The Macro Economy*

To what does the J curve effect directly relate?

A balance of payment effects caused by exchange rate changes

B exchange rate effects caused by balance of payment changes

C import expenditure effects caused by tariff changes

D trade creation effects caused by comparative advantage changes

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68 – (9708/12_Summer_2018_Q24) – *The Macro Economy*

Country P exports goods and imports goods.

Export prices and import prices are set to an index of 100 in year 1. The table shows corresponding prices indices for years 2 and 3.

	year 2	year 3
export price index	120	132
import price index	110	121

Which statement is correct?

A It is not possible to say how the terms of trade changed without further information.

B The terms of trade improved between years 1 and 2, and improved again between years 2 and 3.

C The terms of trade improved between years 1 and 2, and then remained unchanged between years 2 and 3.

D The terms of trade worsened throughout the whole period.

69 – (9708/13_Summer_2018_Q24) – *The Macro Economy*

The terms of trade for the major oil exporting country of Saudi Arabia fell from 223 in 2013 to 205 in 2014.

What could be a likely cause of this fall?

A a fall in the amount of oil exported by Saudi Arabia

B a fall in the amount of oil produced by Saudi Arabia

C a fall in the price of Saudi Arabian oil exports

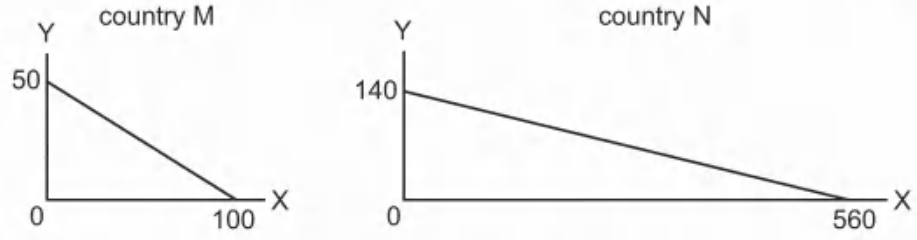
D an appreciation of the Saudi Arabian currency

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70 – (9708/11_Summer_2018_Q25) – *The Macro Economy*

The graphs show the production possibilities for commodities X and Y in two countries M and N.



What will be the effect of an agreement between M and N to exchange the commodities at a rate of 1Y for 3X?

A Both countries will gain, because their consumption possibilities will increase.

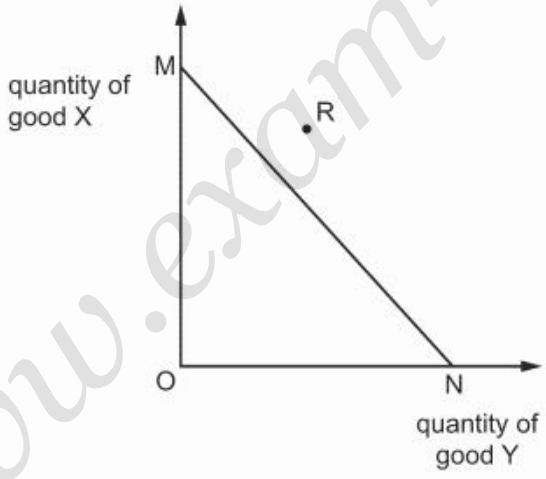
B Consumers in country M will lose, because a unit of Y will now cost 3X instead of 2X.

C Neither country will gain, because they both have a comparative advantage in the production of the same commodity, X.

D Only country N will gain, because N can produce more of both commodities than M.

71 – (9708/12_Summer_2018_Q25) – *The Macro Economy*

In the diagram, MN is the production possibility curve of a country that has a comparative advantage in the production of good Y.



What might enable the country to consume the quantities of X and Y indicated by point R?

A a reduction in unemployment

B increased specialisation in the production of good X

C increased specialisation in the production of good Y

D more participation in international trade

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72 – (9708/13_Summer_2018_Q25) – *The Macro Economy*

A particular good in the Barbados market could be supplied by domestic producers, or producers in Trinidad and Tobago, or producers in the United States (US), at the prices shown in US dollars.

origin of production	price
Barbados	$1.00
Trinidad and Tobago	$0.85
US	$0.75

Originally, Barbados had a 20% ad valorem duty on imports from Trinidad and Tobago and the US.

Barbados then formed a customs union with Trinidad and Tobago, with a common external tariff, also of 20%.

From which countries would Barbados import the good, before the formation of the customs union and after the formation of the customs union?

	before	after
A	neither	Trinidad and Tobago
B	neither	US
C	US	Trinidad and Tobago
D	US	US

73 – (9708/12_Summer_2018_Q26) – *The Macro Economy*

What is the difference between a customs union and a free trade area?

A Only the customs union has a common external tariff with the rest of the world.

B Only the customs union requires fixed exchange rates between member countries.

C Only the free trade area needs to eliminate tariffs between member countries.

D Only the free trade area requires freedom of movement for labour and capital between member countries.

74 – (9708/13_Summer_2018_Q26) – *The Macro Economy, Government Macro Intervention*

What would reduce an economy's protection against the import of cars?

A a higher quota of imported cars

B a higher subsidy for domestic car producers

C a higher tariff on imported cars

D a lower exchange rate

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75 – (9708/12_Summer_2018_Q27) – *The Macro Economy*

Which statement about trade protection is correct?

A A tariff will result in a greater decrease in demand for an import the lower its price elasticity of demand is.

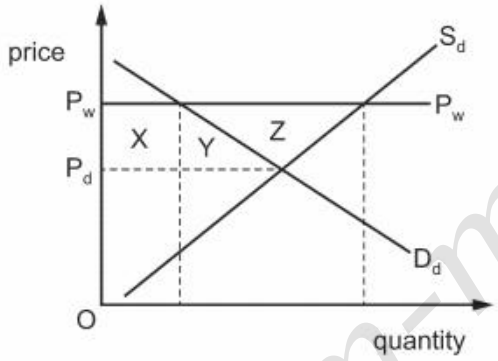
B Embargoes are only an effective trade barrier against imports in price-elastic demand.

C Export subsidies to domestic firms will prevent the dumping of foreign products in the domestic market.

D Quotas are less effective than tariffs for raising government revenue.

76 – (9708/13_Summer_2018_Q27) – *The Price System And The Micro Economy, The Macro Economy*

A country takes no part in international trade and its domestic market price is P_d. The country decides to engage in free trade and the market price rises to the world price (P_w).



What happens to consumer surplus and producer surplus when the economy engages in free trade?

A Domestic consumers gain Z only.

B Domestic consumers lose X + Y.

C Domestic producers gain Z only.

D Domestic producers lose X + Y + Z.

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77 – (9708/13_Winter_2018_Q10) – *The Macro Economy*

An international oil company announced that it would stop exploring for oil off the coast of Namibia. This was because there was only enough oil to support a local power station for Namibia and not enough to allow exports of oil.

What might be a possible advantage and disadvantage to Namibia of this decision?

	advantage	disadvantage
A	a cut in taxes paid by the oil company to the Namibian government	the conservation of a natural resource
B	a reduction in potential costs of pollution	the loss of cheaper oil
C	a saving in costly research paid for by the oil company	a loss of employment opportunities
D	the exhaustion of a natural resource	the loss of potential exports

78 – (9708/11_Winter_2018_Q19) – *The Macro Economy*

The table illustrates macroeconomic data for an economy. All figures are in $ billions.

What is the equilibrium real output?

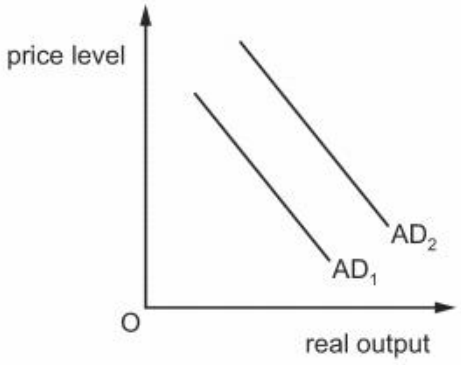
	consumption expenditure	investment	government expenditure	exports	imports	real output
A	110	100	50	10	20	100
B	120	100	60	20	30	200
C	140	100	70	30	40	300
D	160	100	80	40	50	430

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79 – (9708/12_Winter_2018_Q19) – *The Macro Economy*

The diagram shows a shift in the aggregate demand curve, from AD_1 to AD_2.



What might have caused this shift?

A a fall in the budget surplus

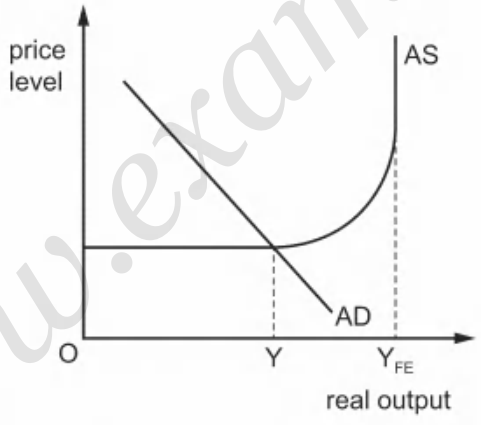
B a fall in the trade surplus

C a rise in imports

D a rise in the interest rate

80 – (9708/13_Winter_2018_Q19) – *The Macro Economy*

An economy has an equilibrium level of real output Y, but wishes to move towards its full employment level of real output Y_{FE}.



Which combination of policy measures is most likely to achieve this wish without high inflation?

A decreasing interest rates and raising investment in new technology

B decreasing the money supply and raising corporation tax rates

C increasing interest rates and raising income tax thresholds

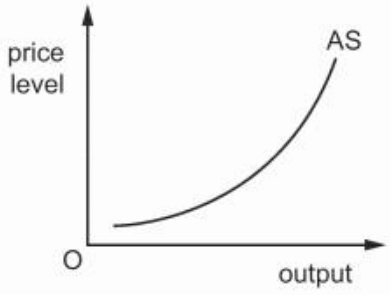
D increasing the money supply and raising welfare benefit payments

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81 – (9708/11_Winter_2018_Q20) – *The Macro Economy*

The diagram shows an economy's aggregate supply curve.



What is likely to cause the curve to shift to the left?

A an increase in investment due to a reduction in interest rates

B an increase in the marginal rate of income tax

C improvements in technology

D schemes to increase the geographical mobility of labour

82 – (9708/12_Winter_2018_Q20) – *The Macro Economy*

The table shows the consumer price index (CPI) and national output at current prices in 2014 and 2015 for an economy.

year	CPI	national output at current prices
2014	100	100
2015	120	110

What can be concluded when 2015 is compared with 2014?

A Money national output decreased by 10%.

B Money national output increased by 20%.

C Real national output fell.

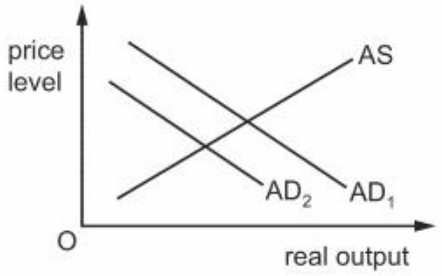
D Real national output increased.

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83 – (9708/13_Winter_2018_Q20) – *The Macro Economy*

In the diagram, AD_1 and AS are an economy's original aggregate demand and aggregate supply curves.



What will cause the aggregate demand curve to shift to AD_2?

A an appreciation of the currency

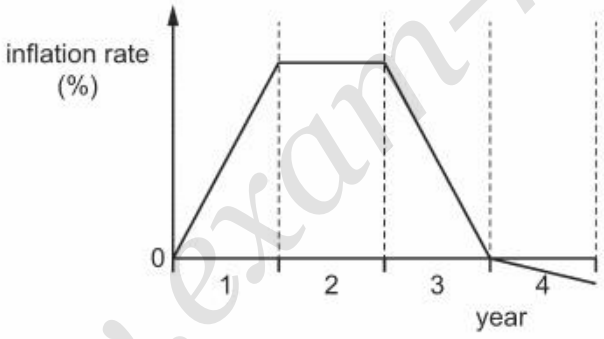
B an increase in the money supply

C an increase in the price level

D an increase in the real wage

84 – (9708/11_Winter_2018_Q21) – *The Macro Economy*

The diagram shows the change in an economy's rate of inflation over 4 years.



What happened to the general price level over the 4 years?

	year 1	year 2	year 3	year 4
A	constant	constant	fell	constant
B	rose	constant	fell	fell
C	rose	rose	rose	constant
D	rose	rose	rose	fell

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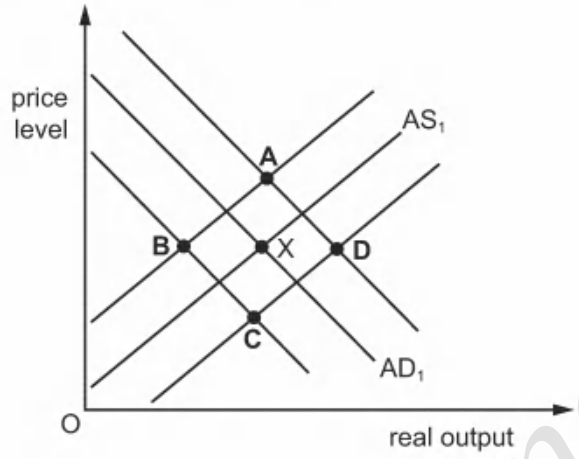
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85 – (9708/12_Winter_2018_Q21) – *The Macro Economy*

Between June and the end of July 2016 the UK pound sterling depreciated by 11% against a basket of currencies of the UK's major trading partners.

The diagram shows the original aggregate demand curve AD_1 and the original aggregate supply curve AS_1 for the UK economy before June 2016. The equilibrium is at X.

What will be the new equilibrium for the UK economy as a result of the depreciation of the pound sterling?



86 – (9708/13_Winter_2018_Q21) – *The Macro Economy*

A country experiences a fall in the consumer price index.

What must be associated with such a fall?

A a decrease in average wage rates

B a decrease in borrowing

C a decrease in consumers' expenditure

D a decrease in the cost of living

87 – (9708/11_Winter_2018_Q22) – *The Macro Economy*

The table shows selected items of the balance of payments of a country in 2015.

	$ billions
net portfolio investment	+40
trade in goods	–100
trade in services	+50
interest, profit and dividends (primary income)	+10
current transfers (secondary income)	+10
transactions in financial assets	–10

What was the country's current account balance in 2015?

A –$40 billion **B** –$30 billion **C** –$20 billion **D** –$10 billion

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88 – (9708/12_Winter_2018_Q22) – *The Macro Economy, Government Macro Intervention*

Which item is **not** included in the current account of a country's balance of payments?

A exports of services

B interest on foreign loans

C profits from foreign investments

D the purchase of foreign assets

89 – (9708/13_Winter_2018_Q22) – *The Macro Economy*

The balance of payments accounts are arranged in the following way.

Which total is the current account balance?

balance of trade in goods	
+ balance of trade in services	= total **A**
+ net income (primary income)	= total **B**
+ net transfers (secondary income)	= total **C**
+ capital balance	= total **D**
financial balance	
errors and omissions	

90 – (9708/11_Winter_2018_Q23) – *The Macro Economy, Government Macro Intervention*

What is likely to explain an increase in the deficit on a country's current account of the balance of payments?

A an increase in government foreign aid to countries abroad

B an increase in government tax rates

C an increase in other countries' exchange rates

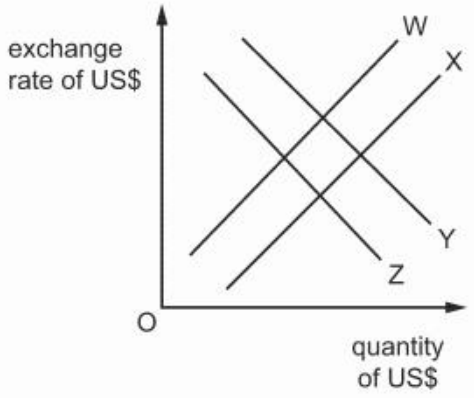
D an increase in the proportion of income saved by the country's residents

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91 – (9708/13_Winter_2018_Q23) – *The Macro Economy*

The US central bank lowers its interest rate. This has an effect on the exchange rate of the US$. The diagram shows the resulting changes in the demand for and supply of US$ in the foreign exchange market.



A change is shown by a move from a curve numbered 1 to a curve numbered 2.

What should curves W, X, Y and Z be labelled to show the effect of the interest rate fall on the exchange rate?

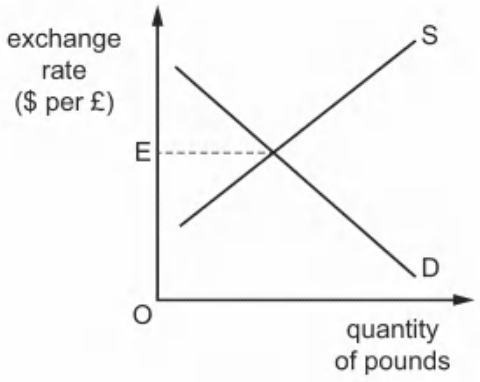
	W	X	Y	Z
A	S_1	S_2	D_1	D_2
B	S_1	S_2	D_2	D_1
C	S_2	S_1	D_1	D_2
D	S_2	S_1	D_2	D_1

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92 - (9708/11_Winter_2018_Q24) - *The Macro Economy*

The diagram shows the determination of the floating exchange rate between the US$ and the UK£. D is the demand curve for pounds and S is the supply curve for pounds. The initial equilibrium exchange rate is E.



Which change might cause an increase in the UK exchange rate?

A a switch by US consumers from chocolate produced in the UK to chocolate produced in the US

B a switch in the destination of UK tourists from Africa to the US

C a wheat crop failure in the UK leading to increased wheat imports from the US

D increased investment by US residents in financial and real assets in the UK

93 - (9708/12_Winter_2018_Q24) - *The Macro Economy*

Country X conducts 60% of its trade with country Y and 40% of its trade with country Z. The initial value of the trade-weighted exchange rate index of country X is 100.

What will be its new trade-weighted exchange rate index value if its currency falls in value by 20% against the currency of country Y and rises by 10% against the currency of country Z?

A 84 **B** 90 **C** 92 **D** 116

94 - (9708/13_Winter_2018_Q24) - *The Macro Economy*

The table refers to a particular country.

year	index of import prices (2010 = 100)	index of export prices (2010 = 100)
2005	48.1	57.0
2015	122.4	120.8

Which statement about the period 2005 to 2015 is correct?

A The balance of payments worsened.

B The current account balance improved.

C The exchange rate appreciated.

D The terms of trade fell.

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95 – (9708/11_Winter_2018_Q25) – *The Macro Economy*

The table shows the ability of two countries, P and Q, to produce two goods, Y and Z.

	production of good Y per person	production of good Z per person
country P	1000	1600
country Q	1500	2000

Which statement is correct?

A P has an absolute advantage in Z and Q has a comparative advantage in Y.

B P has an absolute advantage in Z and Q has an absolute advantage in Y.

C P has a comparative advantage in Y and Q has an absolute advantage in Z.

D P has a comparative advantage in Z and Q has an absolute advantage in Y.

96 – (9708/12_Winter_2018_Q25) – *The Macro Economy*

The index for a country's terms of trade changed from 100 in year 2015, to 104 in year 2016.

What could have caused this change?

A a fall in export prices with import prices unchanged

B a fall in revenue from the export of services

C an appreciation of the country's currency

D a rise in the value of imports

97 – (9708/13_Winter_2018_Q25) – *The Macro Economy*

Two countries, Northland and Southland, produce two goods, food and drink. The table shows how many hours each has to use to produce one unit of each product. After specialising according to comparative advantage, they decide to trade.

	food	drink
Northland	10 hours	4 hours
Southland	20 hours	12 hours

Which exchange rate will allow both countries to benefit from trade?

A 1 unit of food to $\frac{1}{2}$ unit of drink

B 1 unit of food to 1 unit of drink

C 1 unit of food to 2 units of drink

D 1 unit of food to 3 units of drink

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98 – (9708/11_Winter_2018_Q26) – *The Macro Economy*

Which action increases and which action decreases the level of protectionism?

	increases protectionism	decreases protectionism
A	imposing an embargo	reducing subsidies to domestic producers
B	imposing exchange controls	lowering quota levels
C	introducing voluntary export agreements	increasing subsidies to domestic producers
D	removing quotas	introducing embargos

99 – (9708/12_Winter_2018_Q26) – *The Macro Economy*

The table shows the production possibilities of cloth and food in four countries using all of their resources.

country	cloth (million units)		food (million units)
V	40	or	8
X	28	or	4
Y	8	or	2
Z	5	or	5

If the world exchange rate is 1 unit of food for 6 units of cloth, with whom is V likely to trade?

A X and Y **B** X only **C** Y and Z **D** Z only

100 – (9708/13_Winter_2018_Q26) – *The Macro Economy*

What is a characteristic of a customs union but **not** of a free trade area?

A a common external tariff

B a common tariff between member countries

C fixed exchange rates between member countries

D the abolition of all tariffs between member countries

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101 – (9708/11_Winter_2018_Q27) – *The Macro Economy, The Price System And The Micro Economy*

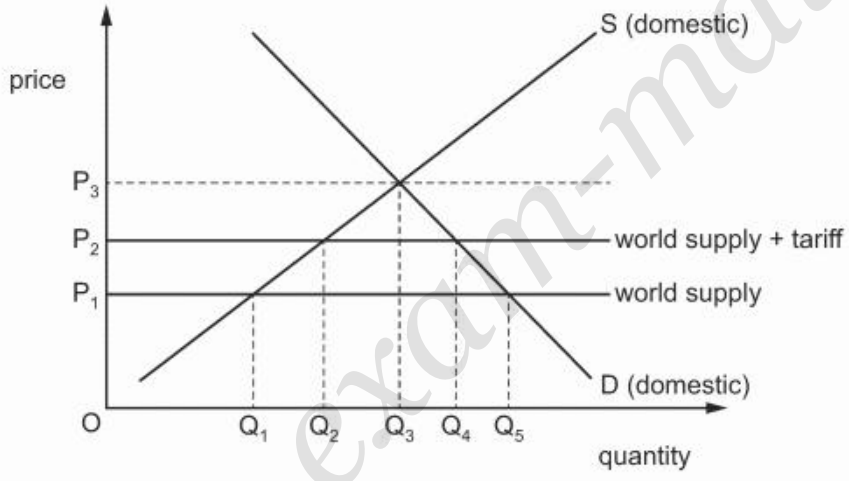
Country M imposes a tariff on imports of steel.

Which price elasticity values will result in the smallest reduction in steel imports into M?

	price elasticity of supply of domestic steel producers in country M	price elasticity of demand for steel in country M
A	0.2	0.4
B	1.0	0.8
C	1.5	1.0
D	2.0	1.2

102 – (9708/12_Winter_2018_Q27) – *The Macro Economy, Government Macro Intervention*

The diagram shows the domestic and world demand and supply for a good.



The government imposes a tariff on imports of the good.

What will happen to the quantity imported?

A It will fall from Q_1Q_3 to Q_2Q_3.

B It will fall from Q_1Q_5 to Q_2Q_4.

C It will fall from Q_2Q_5 to Q_3Q_4.

D It will fall from OQ_5 to OQ_4.

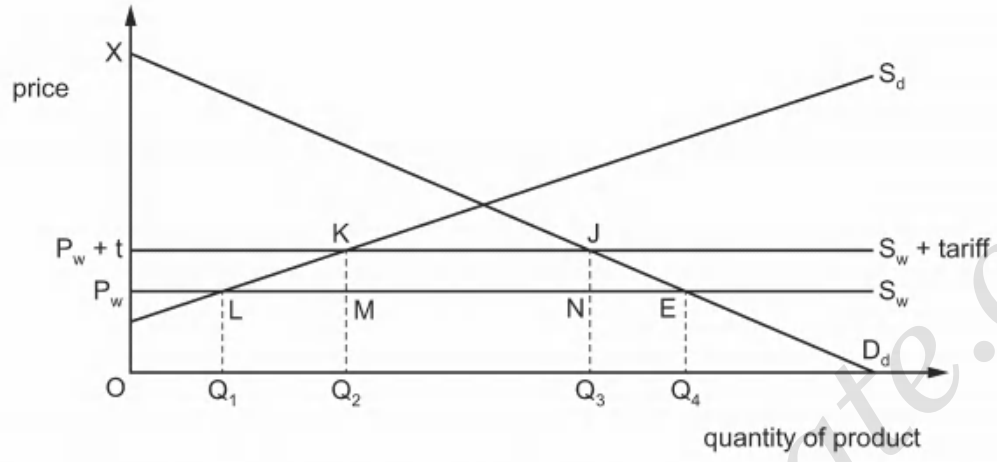
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103 – (9708/13_Winter_2018_Q27) – *The Macro Economy*

In the diagram, D_d and S_d represent the domestic demand and supply curves for a product. S_w represents world supply of the product when there is free trade, at a world price of P_w. The initial domestic market equilibrium level of consumption of the product is at E.

If a tariff of t were to be imposed, world supply would now be represented by S_w + tariff, at a price of P_w + t.



What would be the level of domestic production and the total of government revenue from tariffs after the tariff of t were imposed?

	level of domestic production	total level of revenue from tariffs
A	OQ_2	JKMN
B	OQ_2	OQ_2MP_w
C	Q_1Q_2	EJKL
D	Q_2Q_3	KLM + JNE

104 – (9708/12_Winter_2018_Q28) – *The Macro Economy*

What is an example of a supply-side policy?

A an import quota to restrict the supply of goods

B a rise in interest rates to encourage the supply of savings

C a specific tax on the supply of goods to raise revenue

D a subsidy to businesses to promote the supply of training courses

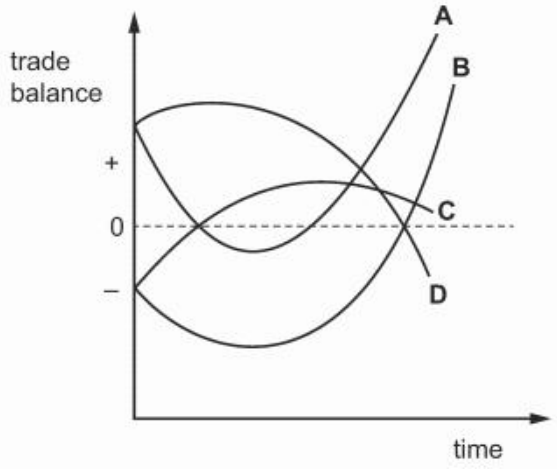
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105 – (9708/12_Winter_2018_Q29) – *The Macro Economy*

In a country the Marshall-Lerner condition for an improvement in the trade balance is satisfied in the long run, but quantities of imports and exports are slow to respond to price changes.

The government devalues its currency to reduce its trade deficit.

Which curve indicates the probable behaviour of the trade balance?



106 – (9708/12_Summer_2019_Q4) – *The Macro Economy*

What justifies government intervention in the provision of a merit good such as education?

A People who pay for education value it more than those who cannot pay.

B Private schools have more merit than state schools.

C Social costs of providing education outweigh social benefits of education.

D Some consumers do not fully recognise the value of education.

107 – (9708/11_Summer_2019_Q5) – *The Macro Economy*

The tariff on Indian goods entering the US falls from 10% to 5%.

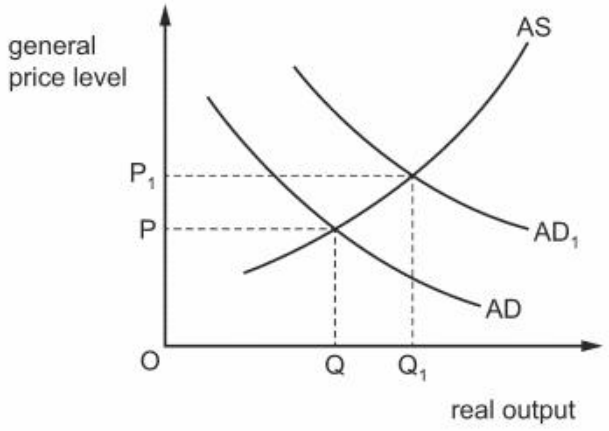
What will be the most likely effect on the producer and consumer surplus in the US?

	US producer surplus	US consumer surplus
A	decrease	increase
B	decrease	no change
C	increase	increase
D	increase	no change

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108 – (9708/13_Summer_2019_Q18) – *The Macro Economy*

The diagram illustrates what happens to aggregate demand (AD) and aggregate supply (AS) in an economy during a year.



What explains the rise in the general price level?

A boom in consumer spending

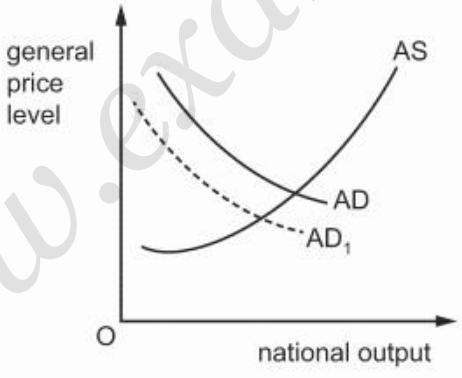
B higher taxes on company profits

C reduction in government-financed projects

D rising costs of raw materials

109 – (9708/11_Summer_2019_Q19) – *The Macro Economy*

The diagram shows aggregate demand and aggregate supply curves for an economy.



What would cause a change in the aggregate demand from AD to AD_1?

A a decrease in the budget surplus

B consumption of domestic instead of foreign goods

C government campaigns to encourage household savings

D investment in knowledge-based enterprises

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110 – (9708/12_Summer_2019_Q19) – *The Macro Economy*

A country has a fixed exchange rate.

Which combination of problems would be most likely to cause the country's government to reduce taxation and lower interest rates?

A demand inflation and a balance of payments current account deficit

B demand inflation and a low level of investments

C high unemployment and a balance of payments current account deficit

D high unemployment and a low level of investment

111 – (9708/13_Summer_2019_Q19) – *The Macro Economy*

How is a rate of inflation that is lower than that expected likely to affect lenders and borrowers in an economy?

	effect on lenders	effect on borrowers
A	beneficial	beneficial
B	beneficial	harmful
C	harmful	beneficial
D	harmful	harmful

112 – (9708/11_Summer_2019_Q20) – *The Macro Economy*

What would cause a shift in the short-run aggregate supply curve but **not** the long-run aggregate supply curve?

A advances in technology

B a change in the money wage rate

C emigration of people of working age

D gross investment exceeding depreciation

113 – (9708/12_Summer_2019_Q20) – *The Macro Economy*

How can a change in consumption that increases unemployment be illustrated on an aggregate demand and aggregate supply diagram?

	effect on the aggregate demand curve	effect on the aggregate supply curve
A	movement down the demand curve	shift outwards
B	movement up the demand curve	shift inwards
C	shift inwards	movement down the supply curve
D	shift inwards	movement up the supply curve

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114 – (9708/13_Summer_2019_Q20) – *The Macro Economy*

A country devalues its currency in the expectation that a deficit on the current account of the balance of payments will be reduced.

What is necessary to make this happen?

A any tariff on imports must be matched by a subsidy on goods to be exported

B the elasticity of demand for imports and the elasticity of demand for exports must both be greater than 1

C the rate of domestic inflation is equal to the rate of inflation in the foreign market

D the sum of the elasticities of demand for domestic imports and the foreign demand for exports is greater than 1

115 – (9708/11_Summer_2019_Q21) – *The Macro Economy*

Which effect of inflation is described as redistributive?

A the improvement in the terms of trade

B the increased reluctance of people to hold money

C the inconvenience of frequently changing prices

D the loss of purchasing power of people on fixed incomes

116 – (9708/12_Summer_2019_Q21) – *The Macro Economy*

What is **not** an item in a country's current account of its balance of payments?

A exports of primary commodities

B money received from banking services

C overseas investment

D profits sent back by companies overseas

117 – (9708/13_Summer_2019_Q21) – *The Macro Economy*

The current account of the balance of payments for Nigeria changed from US$899 m in 2014 to US$ –15 763 m in 2015.

Assuming that nothing else changes, what is likely to be the impact in 2015 on GDP and the exchange rate in Nigeria?

	GDP	exchange rate
A	falls	appreciates
B	falls	depreciates
C	rises	appreciates
D	rises	depreciates

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118 – (9708/11_Summer_2019_Q22) – *The Macro Economy*

In which situation will a country's terms of trade worsen?

A The prices of its imports rise by more than the prices of its exports.

B The total value of external payments rises by more than the total value of external receipts.

C The value of its imports rises by more than the value of its exports.

D The volume of its imports rises by more than the volume of its exports.

119 – (9708/12_Summer_2019_Q22) – *The Macro Economy*

A country decides to remove all its tariffs and engage in free international trade.

What will be the final decision the country has to make before free trade takes place?

A deciding which resources to allocate to the production of goods and services for international trade

B deciding which goods and services should be provided for international trade

C identifying the opportunity costs of production of goods and services which might be used for international trade

D setting an appropriate exchange rate for the international trade of goods and services

120 – (9708/13_Summer_2019_Q22) – *The Macro Economy*

Australia's aggregate demand decreased over the last year.

What might have been the cause of this?

A a reduction in consumer saving

B a reduction in direct taxes

C a reduction in imports

D a reduction in investment

121 – (9708/11_Summer_2019_Q23) – *The Macro Economy*

Industrialised countries X and Y trade with each other. Country X imposes a general tariff of 20% on imports from country Y.

In which circumstances would the imposition of the tariff be **unfavourable** to country X?

A if country X is seeking to protect its infant industries

B if country X lacks the capacity to produce import substitutes

C if imports from country Y have been dumped in country X

D if imports of manufactured goods from country Y are price elastic

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122 – (9708/12_Summer_2019_Q23) – *The Macro Economy*

What is assumed to be constant when drawing an aggregate demand curve?

A government tax revenue

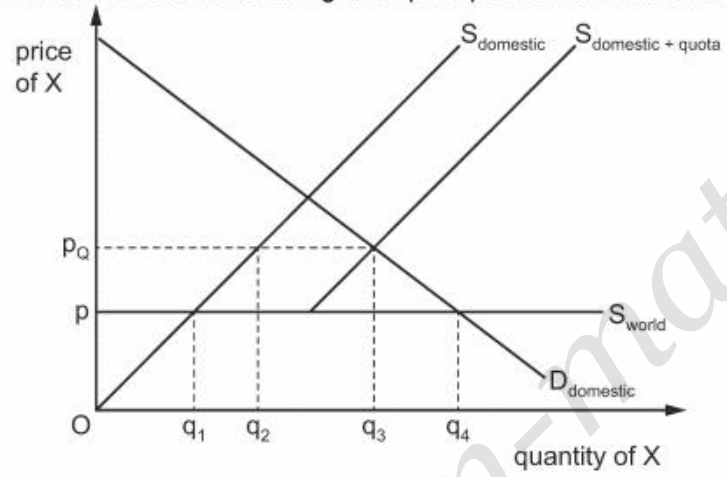
B interest rates

C the level of unemployment

D the money supply

123 – (9708/13_Summer_2019_Q23) – *The Macro Economy, Government Macro Intervention*

The diagram shows the effect of introducing an import quota on the market for good X.



What is the change in domestic supply and the size of the import quota?

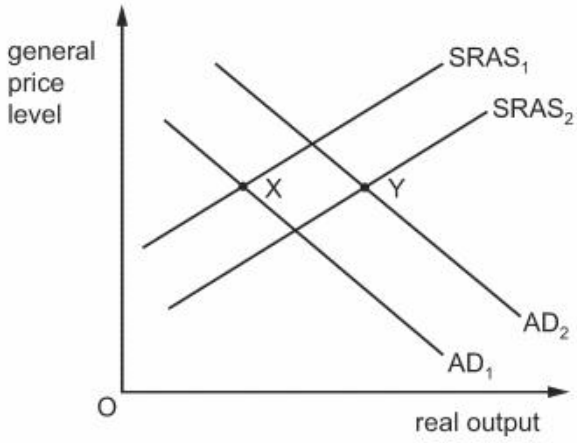
	change in domestic supply	size of import quota
A	q_1q_2	q_2q_3
B	q_1q_3	q_1q_4
C	q_1q_4	q_1q_2
D	q_2q_3	q_3q_4

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124 – (9708/11_Summer_2019_Q24) – *The Macro Economy*

The diagram shows aggregate supply and aggregate demand curves for an economy.



What would cause a movement from X to Y?

A a decrease in income tax and in the cost of production

B a decrease in interest rates and increase in the cost of production

C an increase in income tax and in the cost of production

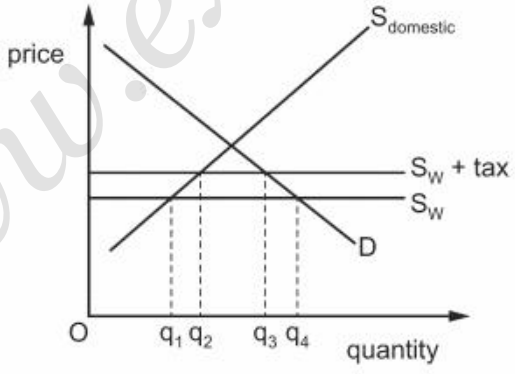
D an increase in interest rates and decrease in the cost of production

125 – (9708/12_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention*

The diagram shows the imposition of an import tariff.

S_W is world supply.

S_W + tax is world supply after the tariff is imposed.



Which statement is **not** correct?

A Domestic demand will fall from q_4 to q_3.

B Imports will change from q_1q_4 to q_2q_3.

C Imports will fall from q_4 to q_3.

D Supply of domestic goods will increase from q_1 to q_2.

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126 – (9708/13_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention, The Price System And The Micro Economy*

Country X joins a customs union with country Y and will remove the tariff on its imports of good M from country Y.

Under which conditions will trade creation in country X be the smallest?

	existing size of country X's tariff on imports of good M	price elasticity of demand for good M in country X
A	large	–0.8
B	large	–1.4
C	small	–0.8
D	small	–1.4

127 – (9708/11_Summer_2019_Q25) – *The Macro Economy*

The table shows changes in the population, price level and Gross Domestic Product (GDP) of a country.

	year 1	year 2
population (millions)	50	55
Consumer Price Index	100	120
nominal GDP ($ billions)	400	480

What happened to real GDP and real GDP per head between year 1 and year 2?

	real GDP	real GDP per head
A	no change	fell
B	no change	rose
C	rose	fell
D	rose	rose

128 – (9708/12_Summer_2019_Q25) – *The Macro Economy*

An economy is experiencing a period of deflation.

What must be happening?

A The average price level is falling.

B The output of the economy is falling.

C The rate of inflation is falling.

D The real value of money is falling.

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129 - (9708/13_Summer_2019_Q25) - *The Macro Economy*

An Australian family purchases a holiday to New Zealand and an Australian mining company sells coal to China.

Four students, A, B, C and D, are asked where these transactions appear in the current account of Australia's balance of payments.

Which student is correct?

	holiday to New Zealand	coal to China
A	service export	good export
B	service export	good import
C	service import	good export
D	service import	good import

130 - (9708/11_Summer_2019_Q26) - *The Macro Economy*

The table shows selected balances from a country's balance of payments account in 2016.

	$US billions
trade in goods	–30
trade in services	+10
primary income balance	+10
secondary income balance	–8
capital & financial flow	+15

What was the country's current account balance in 2016?

A –$3 billion **B** –$10 billion **C** –$18 billion **D** –$20 billion

131 - (9708/12_Summer_2019_Q26) - *The Macro Economy*

A British citizen buys a house in the US which he rents to American citizens in order to receive an income for himself.

Where will the initial purchase and then the rent be recorded on the UK balance of payments?

	initial purchase	rent
A	capital account export	current account import
B	capital account import	current account export
C	current account export	capital account import
D	current account import	capital account export

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132 – (9708/13_Summer_2019_Q26) – *The Macro Economy*

What is likely to be the **least** effective store of value during a period of rapid inflation?

A antique furniture

B fixed interest government securities

C houses

D shares of industrial companies

133 – (9708/11_Summer_2019_Q27) – *The Macro Economy, Government Macro Intervention*

What does the Marshall-Lerner condition state must be present for a depreciation of a currency to cause an improvement in the current account balance?

A The price elasticity of demand for exports and the price elasticity of demand for imports are both greater than one.

B The price elasticity of demand for exports and the price elasticity of demand for imports are both less than one.

C The sum of the price elasticity of demand for exports and the price elasticity of demand for imports is greater than one.

D The sum of the price elasticity of demand for exports and the price elasticity of demand for imports is less than one.

134 – (9708/12_Summer_2019_Q27) – *The Macro Economy*

Under a system of floating exchange rates, what determines the foreign exchange value of a currency?

A the overall supply of and demand for a currency on currency markets

B the purchasing power of the currency relative to the purchasing power of foreign currencies

C the surplus or deficit on the balance of payments on current account

D the differential between domestic and foreign interest rates

135 – (9708/13_Summer_2019_Q27) – *The Macro Economy*

An increase in what will shift the aggregate demand curve in an economy to the right?

A budget deficit

B consumer savings

C general price level

D interest rate

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136 – (9708/12_Summer_2019_Q28) – *The Macro Economy*

A country with a balance of trade deficit raises interest rates.

How may this help to reduce the deficit in the short run?

A by increasing the inflow of foreign direct investment

B by lowering the foreign exchange rate

C by raising the level of domestic capital investment

D by reducing the level of domestic aggregate demand

137 – (9708/13_Summer_2019_Q28) – *The Macro Economy, Government Macro Intervention*

A country's balance of payments current account is in deficit.

How can this be restored to equilibrium, assuming the Marshall-Lerner condition holds?

A increase the exchange rate

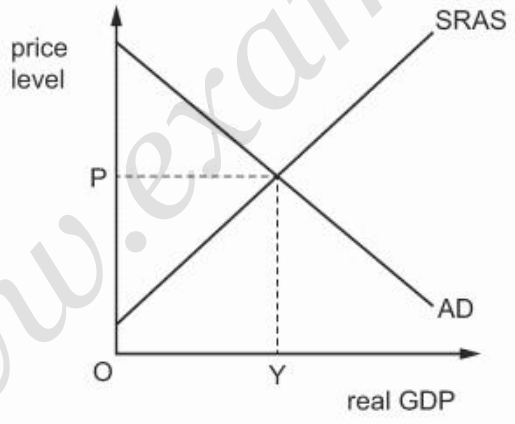
B reduce income tax

C reduce primary income

D subsidise domestic producers

138 – (9708/12_Summer_2019_Q29) – *The Macro Economy*

An economy is currently in the position PY shown on the diagram.



Which short-run effects is government spending on education likely to have on unemployment and inflation?

	unemployment	inflation
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

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139 – (9708/11_Summer_2019_Q30) – *The Macro Economy, Government Macro Intervention*

A country with low unemployment and a managed floating exchange rate has a persistent current account deficit on its balance of payments.

Which policy to reduce this deficit is **most** likely to keep unemployment low, but cause inflation?

A depreciating its currency

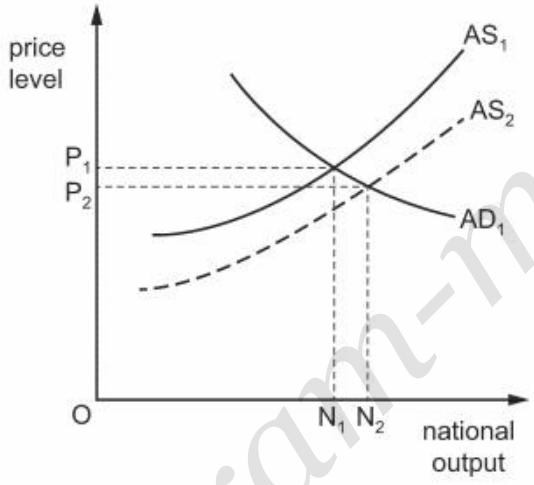
B higher direct taxation

C higher import tariffs

D higher interest rates

140 – (9708/12_Summer_2019_Q30) – *The Macro Economy*

The diagram shows the AD/AS curves for an economy.



Which policy would reduce the price level from P_1 to P_2 as shown?

A depreciating the currency to make imports more expensive

B imposing tariffs on imports to encourage expenditure switching

C increasing labour productivity through training

D raising sales taxes on goods to discourage consumption

141 – (9708/11_Winter_2019_Q3) – *The Macro Economy*

In Zimbabwe there was hyperinflation.

Which two functions of money might the Zimbabwe dollar be **most** likely to have still performed during this hyperinflation?

A medium of exchange and store of value

B standard for deferred payments and unit of account

C store of value and standard for deferred payments

D unit of account and medium of exchange

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142 – (9708/11_Winter_2019_Q19) – *The Macro Economy*

When will the imposition of a tariff by a country on the goods and services of its major trading partners reduce the country's expenditure on imports?

A when the income elasticity of demand for imports is greater than 1

B when the price elasticity of demand for imports is greater than 1

C when the price elasticity of demand for imports is less than 1

D when the price elasticity of supply of imports is greater than 1

143 – (9708/12_Winter_2019_Q19) – *The Macro Economy*

'Primary income' and 'secondary income' are components of the current account of the balance of payments.

What do these represent?

	primary income	secondary income
A	capital flows	financial flows
B	goods balance	services balance
C	income flows	current transfers
D	private flows	government flows

144 – (9708/13_Winter_2019_Q19) – *The Macro Economy*

Singapore imports almost all of its raw materials and its exports are a high percentage of its GDP. The price elasticity of demand for exports and the price elasticity of demand for imports are each less than 1.

What would be the likely impact of a depreciation of the Singapore dollar?

A The domestic inflation rate would fall.

B The government's budget deficit would move to surplus.

C The price of imports would fall.

D The value of exports would fall.

145 – (9708/11_Winter_2019_Q20) – *The Macro Economy*

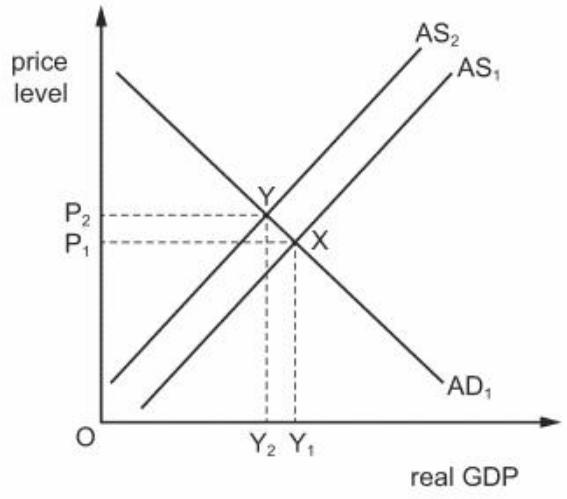
How will an increase in government spending on infrastructure affect aggregate demand and aggregate supply?

	aggregate demand	aggregate supply
A	decreases	increases
B	increases	decreases
C	increases	increases
D	stays the same	increases

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146 – (9708/12_Winter_2019_Q20) – *The Macro Economy*

The diagram shows the original aggregate demand curve, AD_1, and original aggregate supply curve, AS_1. The original equilibrium is at X.



What would cause the new equilibrium to be at Y?

A an increase in export prices

B an increase in government spending on education

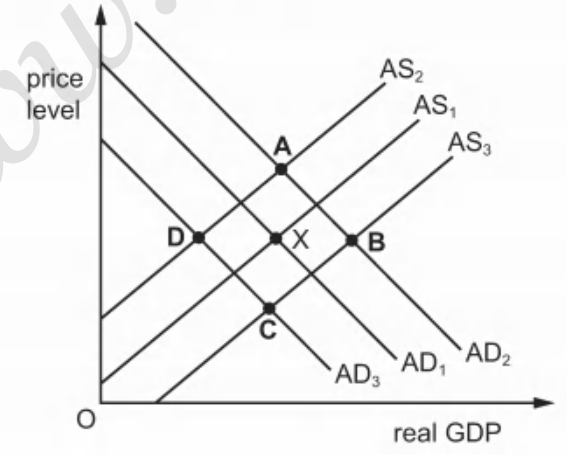
C an increase in import prices

D an increase in the money supply

147 – (9708/13_Winter_2019_Q20) – *The Macro Economy, Government Microeconomic Intervention*

The diagram shows the original aggregate demand curve, AD_1, and the original aggregate supply curve, AS_1. The original equilibrium is at X.

What would be the new equilibrium if there is an increase in private sector investment and an increase in government spending on training courses?



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148 – (9708/11_Winter_2019_Q21) – *The Macro Economy*

The table shows the amount of good X or the amount of good Y that can be produced by country R and country T if each uses all of their resources.

	output of good X	output of good Y
country R	80	100
country T	20	80

What can be concluded from the table?

A Country R has an absolute advantage in producing good Y and a comparative advantage in producing good X.

B Country R has an absolute advantage in producing good X and a comparative advantage in producing good Y.

C Country T has an absolute advantage in producing good X and a comparative advantage in producing good Y.

D Country T has an absolute advantage in producing good Y and a comparative advantage in producing good X.

149 – (9708/12_Winter_2019_Q21) – *The Macro Economy*

What is **not** an example of protectionism?

A the European Union (EU) requiring goods imported into member states to meet safety standards

B the Pakistan government increasing the rate of goods and services tax, GST, on some exported goods from 2% to 5%

C the Nigeria government banning the import of packaged sugar

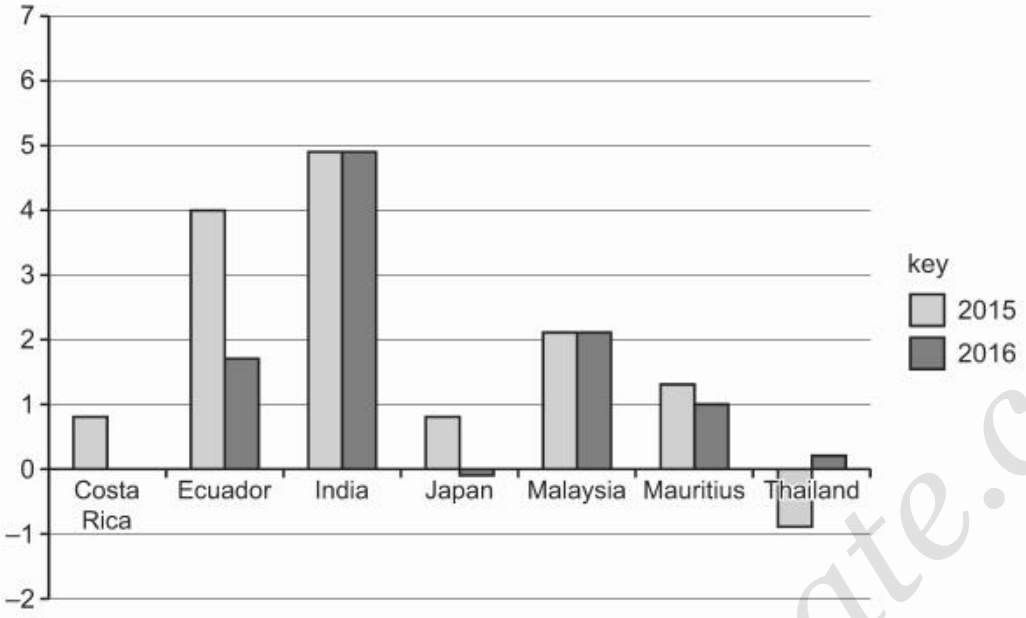
D the US imposing a 35% tariff on tyres imported from China

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150 – (9708/13_Winter_2019_Q21) – *The Macro Economy*

The graph shows the rate of inflation for seven countries for 2015 and 2016.



What can be concluded from this graph?

A Prices in Costa Rica rose in 2015 but remained constant in 2016.

B Prices in Ecuador and Mauritius were lower in 2016 than in 2015.

C Prices in India and Malaysia remained constant in 2016 and 2015.

D Prices in Thailand and Japan were lower in 2016 than in 2015.

151 – (9708/11_Winter_2019_Q22) – *The Macro Economy*

What is **most** likely to lead to a persistent surplus in a country's current account of its balance of payments?

A a low domestic savings rate

B an undervalued exchange rate

C highly protectionist policies by other countries

D low investment income from abroad

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152 – (9708/12_Winter_2019_Q22) – *The Macro Economy*

The table shows the annual percentage increases in a country's consumer prices index (CPI).

year	% change
2015	8.3
2016	6.0
2017	6.0
2018	1.0

Which statement is correct?

A Consumer prices, on average, fell throughout the period.

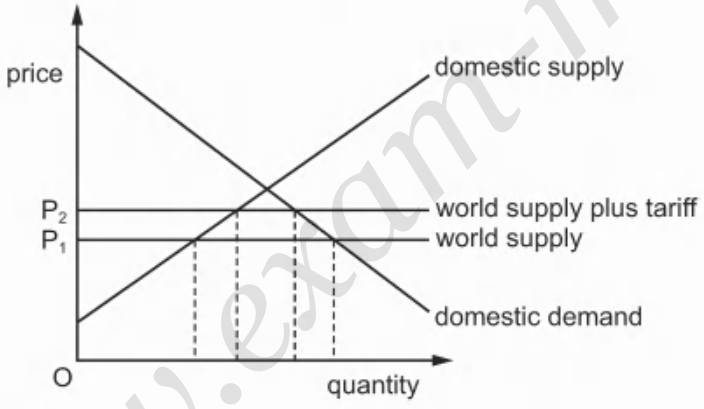
B Consumer prices, on average, remained the same in 2016 and 2017.

C The general level of consumer prices was at its highest in 2015.

D The general level of consumer prices was at its highest in 2018.

153 – (9708/13_Winter_2019_Q22) – *The Macro Economy*

The diagram shows the effect of a tariff on a product.



From this diagram, what determines the gain the tariff generates for domestic producers?

A the price elasticities of domestic supply and demand

B the tariff rate and the price elasticities of both domestic demand and supply

C the tariff rate and the price elasticity of domestic demand

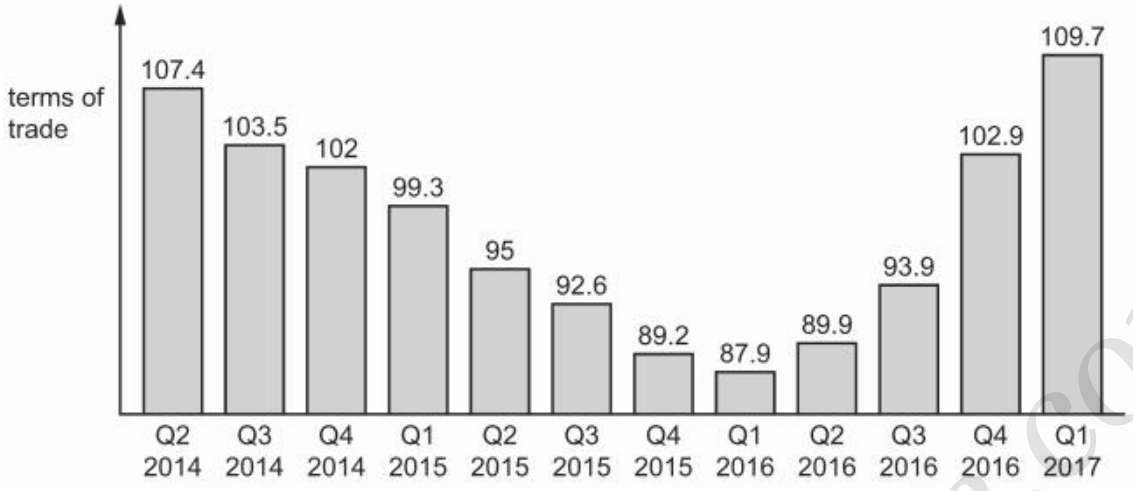
D the tariff rate and the price elasticity of domestic supply

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154 – (9708/11_Winter_2019_Q23) – *The Macro Economy*

The diagram shows Australia's terms of trade per quarter from Q2, 2014 to Q1, 2017.



In which period did Australia's terms of trade decline and then improve?

A Q2, 2014 to Q4, 2014

B Q1, 2015 to Q3, 2015

C Q4, 2015 to Q2, 2016

D Q3, 2016 to Q1, 2017

155 – (9708/12_Winter_2019_Q23) – *The Macro Economy*

The table indicates the factor inputs required to produce wheat and cars in countries X and Y.

	units of factor inputs to produce one tonne of wheat	units of factor inputs to produce one car
country X	4	2
country Y	8	6

What makes it possible for both countries to benefit from trade?

A Country X has an absolute advantage in wheat and car production.

B Country Y has an absolute advantage in wheat and car production.

C Country Y has a comparative advantage in wheat production.

D Opportunity cost of wheat and car production is the same between countries.

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156 – (9708/13_Winter_2019_Q23) – *The Macro Economy*

The European Union consists of a group of countries with free trade between its members and a common external tariff on trade with non-members.

What would weaken the operation of this customs union?

A devaluation of any member's currency

B differences in wage costs between members

C entry tests for seasonal migrant workers

D one member country agreeing a trade deal with a non-member country

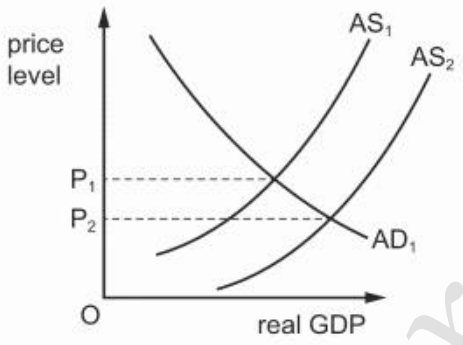
157 – (9708/11_Winter_2019_Q24) – *The Macro Economy*

The diagrams show a country's aggregate demand (AD_1) and aggregate supply (AS_1) curves.

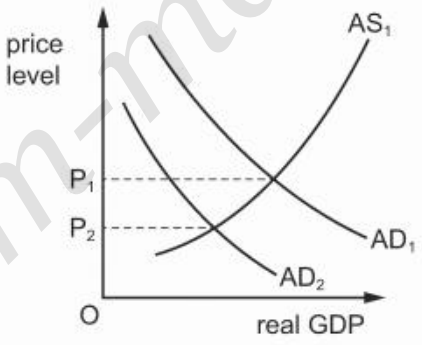
Since the world economic downturn (2007–2008) some governments have reduced labour costs and ensured interest rates remained unchanged.

How would this **most** likely be shown on a diagram?

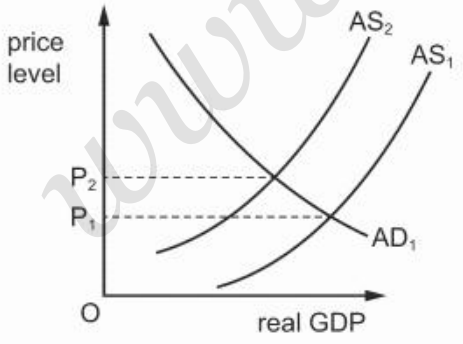
A



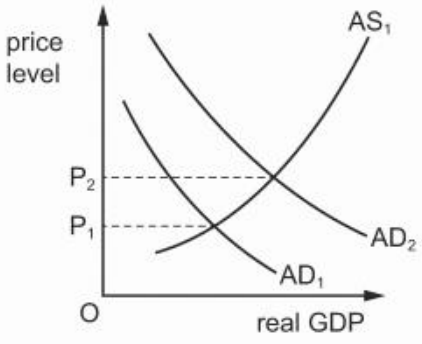
B



C



D



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158 – (9708/12_Winter_2019_Q24) – *The Macro Economy*

In February 2016 the Organisation for Economic Cooperation and Development (OECD) urged major economies such as the US and Japan to increase government spending.

How would this affect the aggregate demand (AD) curve in these countries?

A a move left along the AD curve

B a move right along the AD curve

C a move to the left of the AD curve

D a move to the right of the AD curve

159 – (9708/13_Winter_2019_Q24) – *The Macro Economy*

Which change is **most** likely to result in a worsening of a country's balance of payments?

A a reduction in remittances from citizens who work abroad

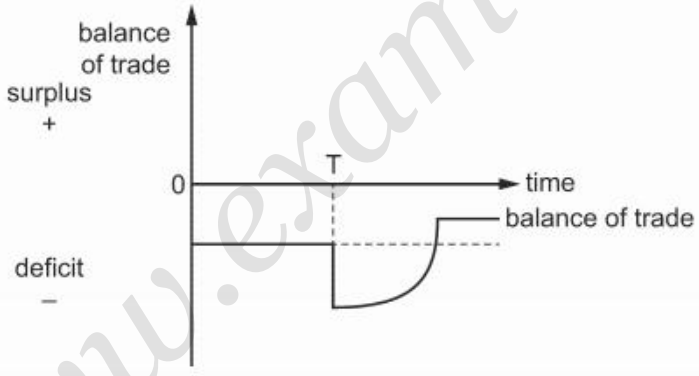
B a rise in domestic rates of direct taxation

C an expansion in the economy of a major trading partner

D an increase in domestic interest rates

160 – (9708/11_Winter_2019_Q25) – *The Macro Economy*

An economy changes its exchange rate at time T.



What does the J-curve diagram show happens at T and after T?

	exchange rate change at time T	Marshall-Lerner condition
A	devaluation	does not apply
B	devaluation	applies
C	revaluation	does not apply
D	revaluation	applies

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161 – (9708/12_Winter_2019_Q25) – *The Macro Economy*

A foreign government pays a UK university to educate its students.

How would this be recorded on the balance of payments current account of the UK?

	current account component	money flows
A	secondary income	inflow
B	secondary income	outflow
C	trade in services	inflow
D	trade in services	outflow

162 – (9708/13_Winter_2019_Q25) – *The Macro Economy*

What must be true if an economy is experiencing inflation?

A Aggregate demand is increasing.

B Aggregate supply is decreasing.

C The interest rate is increasing.

D The real value of money is decreasing.

163 – (9708/11_Winter_2019_Q26) – *The Macro Economy*

What always happens when there is an increase in the Consumer Price Index?

A an increase in consumer expenditure

B an increase in the cost of living

C a reduction in living standards

D a reduction in real disposable income

164 – (9708/12_Winter_2019_Q26) – *The Macro Economy*

The tables show changes over a period in the average prices of a country's exports and imports. They are expressed as index numbers, with year 0 as 100.

index of export prices		
year 0	year 1	year 2
100	115	125

index of import prices		
year 0	year 1	year 2
100	120	125

What is the change in the country's terms of trade index between years 1 and 2?

A It improves by about 10%.

B It improves between 4% and 5%.

C It stays the same.

D It worsens between 4% and 5%.

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165 – (9708/13_Winter_2019_Q26) – *The Macro Economy*

What is the **most** likely consequence of an appreciation in the value of the Malaysian ringgit?

A a decline in the level of unemployment in Malaysia

B a fall in the rate of growth of the general price level in Malaysia

C a reduction in the volume of imports into Malaysia

D an improvement in the Malaysian balance of trade in services

166 – (9708/11_Winter_2019_Q27) – *The Macro Economy*

What would **not** be included in Germany's balance of payments accounts?

A financial investments in Germany by Japanese banks

B foreign aid received by Germany

C the German terms of trade

D the takeover of a German company by a French company

167 – (9708/13_Winter_2019_Q27) – *The Macro Economy*

Under which conditions will an appreciation of a floating exchange rate cause the current account of the balance of payments to worsen the most?

	price elasticity of demand for imports	price elasticity of demand for exports
A	0.4	0.4
B	0.4	0.6
C	0.6	0.4
D	0.6	0.6

168 – (9708/11_Winter_2019_Q28) – *The Macro Economy*

An economy has a balance of payments surplus, which it wishes to eliminate.

In order to achieve this objective, which combination of polices would be **most** appropriate?

A a depreciation of the currency and an increase in government spending

B an appreciation of the currency and a cut in interest rates

C an increase in the money supply and a pay freeze

D increases in both direct and indirect taxation

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169 – (9708/12_Winter_2019_Q28) – *The Macro Economy, Government Macro Intervention*

Which policy would assist in reducing a deficit within the balance of payments?

A increasing interest rates

B increasing the money supply

C reducing subsidies to exporting industries

D reducing the level of direct taxation

170 – (9708/13_Winter_2019_Q28) – *The Macro Economy*

An economy experiences cost-push inflation.

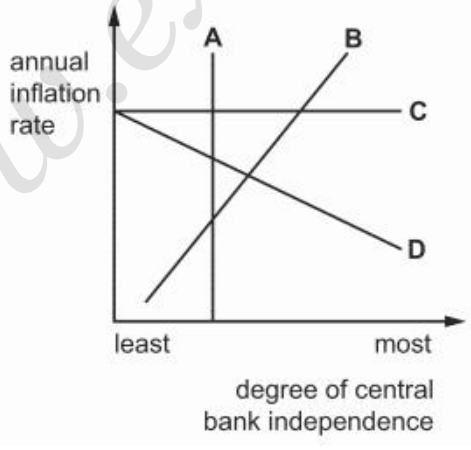
Which combination of policies would be best for the economy to use to reduce cost-push inflation?

	exchange rate	supply-side policy
A	appreciate	lower minimum wage
B	appreciate	raise minimum wage
C	depreciate	lower minimum wage
D	depreciate	raise minimum wage

171 – (9708/11_Winter_2019_Q29) – *The Macro Economy, Government Macro Intervention*

The diagram shows the possible relationships between the degree of independence of the central bank and the level of inflation.

Which relationship suggests that central bank independence is an effective way to reduce inflation?



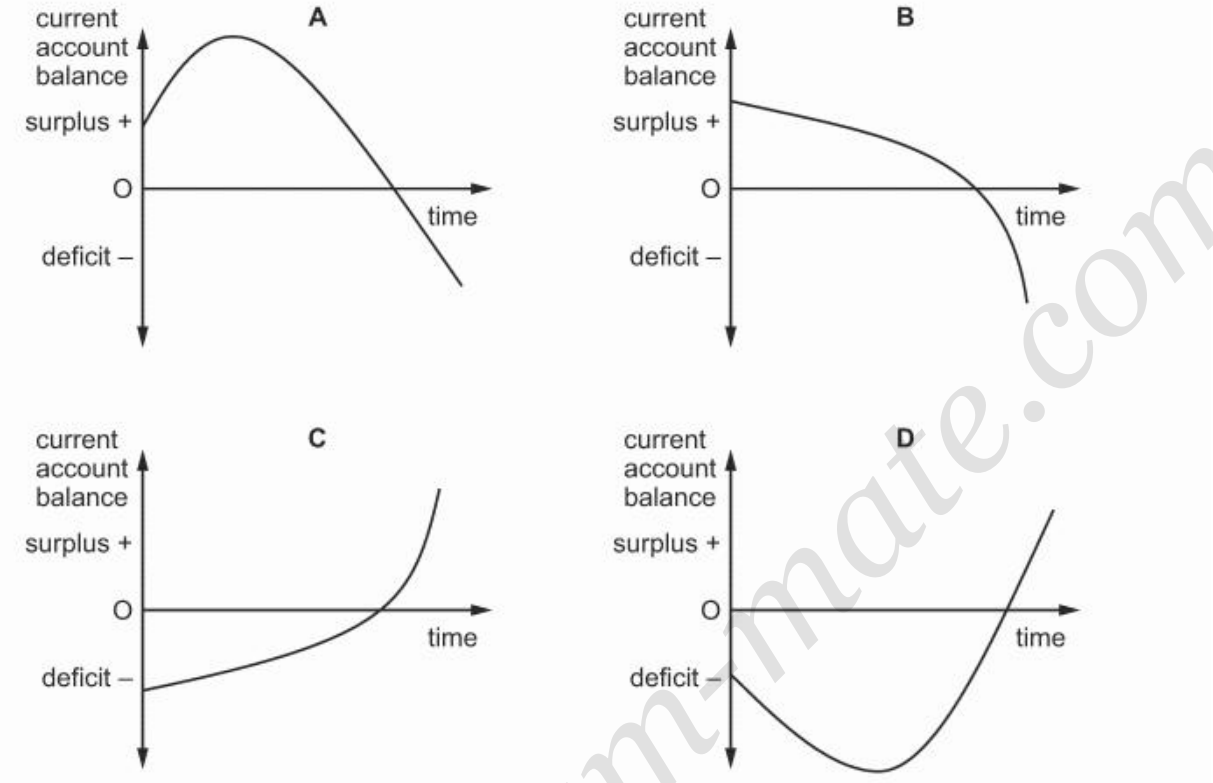
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172 – (9708/12_Winter_2019_Q29) – *The Macro Economy*

An economy's current account on the balance of payments is in surplus. The exchange rate is revalued by the government. Assume the Marshall-Lerner condition holds.

Which diagram shows the impact on the current account balance?



173 – (9708/11_Winter_2019_Q30) – *The Macro Economy, Government Macro Intervention*

Which change in economic circumstances is **most** likely to lead to a reduction in the rate of domestic inflation in an economy?

A a depreciation in the currency

B a reduction in the productivity of labour

C a world-wide recession

D an increase in direct taxes to finance increased welfare payments

174 – (9708/11_Summer_2020_Q19) – *The Macro Economy*

What is **least** likely to change an advanced industrialised economy's terms of trade?

A its level of labour productivity

B its rate of inflation

C the maintenance of a stable foreign exchange rate

D the occurrence of random supply shocks

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175 – (9708/12_Summer_2020_Q19) – *The Macro Economy*

What is likely to cause a decrease in aggregate demand?

A an appreciation in the exchange rate

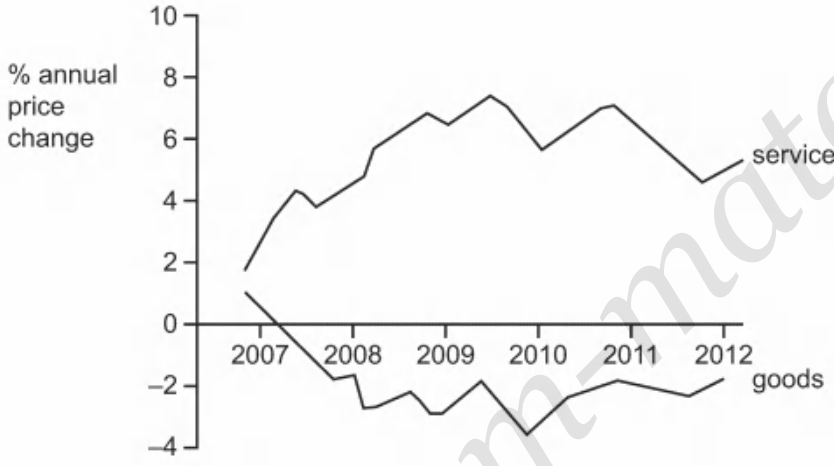
B an improvement in consumer confidence

C an increase in government expenditure

D an increase in the money supply

176 – (9708/13_Summer_2020_Q19) – *The Macro Economy*

The graph shows the annual percentage change in the prices of services and in the prices of goods between 2007 and 2012.



What can be deduced from the graph?

A On average the price of services was higher than the price of goods throughout the period.

B The average price of goods was higher in 2012 than in 2010.

C The average price of services was higher in 2012 than in 2010.

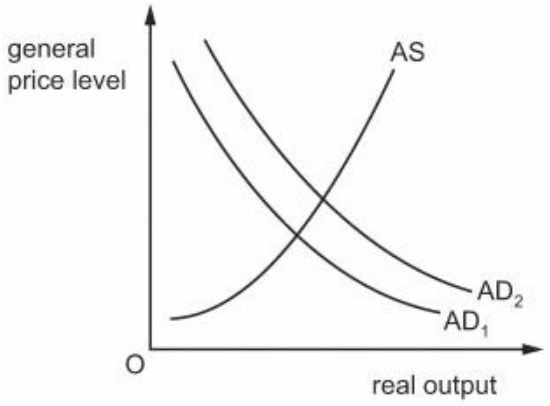
D There was a fall in the general price level between 2008 and 2010.

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177 – (9708/11_Summer_2020_Q20) – *The Macro Economy*

The diagram shows the aggregate demand (AD) and aggregate supply (AS) curves for an economy.



Which situation would **not** cause a shift from AD_1 to AD_2?

A a fall in the general price level as government spending is reduced

B an easing of credit by commercial banks for household purchases of consumer goods

C an increase in earnings from exports of high-tech products

D an increase in investment by firms in computer systems

178 – (9708/12_Summer_2020_Q20) – *The Macro Economy*

A country maintains its foreign exchange rate against the United States dollar, within a narrow but changing band.

What is this type of exchange rate?

A fixed

B floating

C managed float

D trade-weighted

179 – (9708/11_Summer_2020_Q21) – *The Macro Economy*

Which combination of changes is **most** likely to lead to an increase in the aggregate price level and the level of real output?

	income tax rate	net exports
A	fall	decrease
B	fall	increase
C	rise	decrease
D	rise	increase

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180 – (9708/12_Summer_2020_Q21) – *The Macro Economy*

Which components are included in the financial account of the balance of payments?

	the balancing item	foreign direct investment	interest, profits and dividends
A	✓	✓	✗
B	✓	✗	✗
C	✗	✓	✓
D	✗	✗	✓

key
✓ = included
✗ = not included

181 – (9708/13_Summer_2020_Q21) – *The Macro Economy*

What will increase if aggregate demand rises when aggregate supply is perfectly elastic?

A labour shortages

B real output

C the price level

D wage rates

182 – (9708/11_Summer_2020_Q22) – *The Macro Economy*

Country W conducts 50% of its trade with country X, 30% of its trade with country Y and 20% of its trade with country Z. The initial value of the trade-weighted exchange rate of country W is 100.

Country W's currency appreciates 10% against the currency of country X, depreciates 10% against the currency of country Y and is unchanged against the currency of country Z.

What will be the new trade-weighted exchange rate?

A 100 **B** 102 **C** 102.5 **D** 200

183 – (9708/12_Summer_2020_Q22) – *The Macro Economy*

Which argument is an importer **most** likely to use to gain the support of consumers for free trade?

A More imports allow the government to raise revenue from tariffs.

B More imports improve the country's terms of trade.

C More imports increase competition in the domestic economy.

D More imports raise total employment in the domestic economy.

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184 – (9708/13_Summer_2020_Q22) – *The Macro Economy*

A country operates a floating exchange rate.

What will cause the demand curve for the country's currency to shift left in the foreign exchange market?

A a decrease in the country's interest rate

B a decrease in the country's money supply

C an increase in the country's export sales

D an increase in the country's import purchases

185 – (9708/11_Summer_2020_Q23) – *The Macro Economy*

The table shows the goods balance and services balance for a country in selected years.

year	goods balance ($ billion)	services balance ($ billion)
2015	+120	–30
2016	+110	–30
2017	+50	–10
2018	+130	–60
2019	+140	–50

Between which years did the overall goods and services balance change the most?

A 2015 to 2016

B 2016 to 2017

C 2017 to 2018

D 2018 to 2019

186 – (9708/12_Summer_2020_Q23) – *The Macro Economy*

According to US Consumer Prices Index (CPI) statistics, an identical good that cost $100 in 1913 would cost $2359.60 in 2013.

What was the approximate cumulative rate of inflation over the period?

A 23% **B** 230% **C** 2300% **D** 23 000%

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187 – (9708/13_Summer_2020_Q23) – *The Macro Economy*

The table shows the relative price of exports compared with imports expressed as an index number for an economy (2013 = 100).

date	index
2013	100
2014	97
2015	95

Which statement about the period 2013–2015 is correct?

A Export prices have increased each year.

B The general level of prices has fallen.

C The terms of trade have deteriorated.

D The volume of imports increasingly exceeds the volume of exports.

188 – (9708/11_Summer_2020_Q24) – *The Macro Economy*

What is **not** an example of protectionism?

A export subsidies

B import subsidies

C quotas

D tariffs

189 – (9708/13_Summer_2020_Q24) – *The Macro Economy*

The table shows an extract from a country's balance of payments.

	exports $ billion	imports $ billion
trade in goods	150	200
trade in services	70	50
primary (investment) income	120	100
secondary (transfer) income	15	20

What is the current account balance?

A –$10 bn **B** –$15 bn **C** –$30 bn **D** –$50 bn

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190 – (9708/11_Summer_2020_Q25) – *The Macro Economy*

What is an expenditure-switching policy to reduce a country's balance of payments deficit?

A an increase in budget surplus

B an increase in direct taxes

C an increase in import tariffs

D an increase in interest rates

191 – (9708/12_Summer_2020_Q25) – *The Macro Economy*

Why does the value of a country's terms of trade have no monetary units?

A It cannot be calculated accurately enough.

B It includes more than one currency.

C It is a ratio of two index numbers.

D It measures change over time.

192 – (9708/13_Summer_2020_Q25) – *The Macro Economy*

The real national income of a country fell by 3%.

What could have caused this?

A Money national income fell by 3% when the rate of inflation was 6%.

B Money national income fell by 6% when the rate of inflation was 3%.

C Money national income rose by 3% when the rate of inflation was 6%.

D Money national income rose by 6% when the rate of inflation was 3%.

193 – (9708/12_Summer_2020_Q26) – *The Macro Economy*

The statements that follow relate to possible gains from an increase in free trade.

Which gain is **least** certain to result in the short run?

A a reduction in costs of production

B a rise in the number of jobs

C a wider choice of goods available to consumers

D an increase in the level of competition

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194 – (9708/13_Summer_2020_Q26) – *The Macro Economy*

An economy with a long history of extensive barriers to trade decides to switch to totally free trade.

What is most likely to increase in the short term?

A consumer surplus

B government revenue

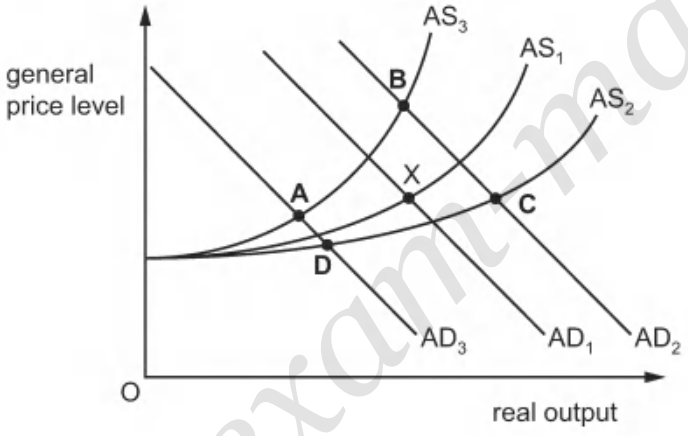
C inflationary pressure

D profits of all domestic companies

195 – (9708/11_Summer_2020_Q27) – *The Macro Economy*

In its recent budget a government increased defence expenditure and also the amount spent on training that increased the productivity of the workforce. The initial equilibrium point is shown by X on the aggregate demand (AD) and aggregate supply (AS) diagram.

What would be the equilibrium point after these changes?



196 – (9708/12_Summer_2020_Q27) – *The Macro Economy*

In an economy with an interest rate of 4% per annum, the rate of inflation falls from 5% to 3% per annum.

What will be a benefit of this fall?

A Menu costs will fall to zero.

B People on fixed incomes will be better off in real terms.

C Savers will gain in real terms.

D The purchasing power of the currency will rise.

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197 – (9708/13_Summer_2020_Q27) – *The Macro Economy*

Why is a balance of payments deficit a potential problem for an economy with a fixed exchange rate?

A Domestic money supply will increase.

B Rival economies may react with trade protection measures.

C The economy's foreign exchange reserves may decrease.

D The economy's short-run standard of living will be reduced.

198 – (9708/11_Summer_2020_Q28) – *The Macro Economy*

An increase or decrease in exchange rates can take place in both a floating and a fixed exchange rate system but different terminology is used for each system.

What is the correct terminology?

	decrease in floating	increase in fixed
A	depreciation	appreciation
B	depreciation	revaluation
C	devaluation	appreciation
D	devaluation	revaluation

199 – (9708/12_Summer_2020_Q28) – *The Macro Economy*

Which combination correctly classifies an expansionary fiscal measure and its impact on a budget deficit?

	fiscal policy	budget deficit
A	increased quantitative easing	unchanged
B	increased welfare spending	increased
C	lower income tax	reduced
D	lower interest rates	unchanged

200 – (9708/11_Summer_2020_Q30) – *The Macro Economy*

A country experienced a significant fall in unemployment but its inflation rate remained low.

What could explain this?

A Global competition prevented firms passing on higher costs.

B Increased spending on imports had lowered the exchange rate.

C There was a low level of spare capacity in the economy.

D Wage rates had increased by more than labour productivity.

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201 – (9708/11_Winter_2020_Q19) – *The Macro Economy*

Agricultural economies have faced a deterioration in their terms of trade.

What might have contributed to this?

A falling exchange rates of agricultural economies

B falling productivity in agricultural production

C increasing productivity in manufacturing economies

D the high income elasticity of demand for foodstuffs

202 – (9708/13_Winter_2020_Q19) – *The Macro Economy, Government Macro Intervention*

Under which circumstance would the rate of inflation be **most** likely to fall?

A Government spending increases and society's marginal propensity to save falls.

B Reduced interest rates result in consumers increasing their spending.

C The government increases direct taxes and the level of investment falls.

D The prices of imported raw materials rise, whilst demand for exports falls.

203 – (9708/11_Winter_2020_Q20) – *The Macro Economy*

The table shows the output of rice and cotton for countries X and Y.

	units of output of rice per year	units of output of cotton per year
country X	5000	5000
country Y	4000	2000

Each country divides its resources equally between the production of rice and cotton.

Based upon the law of comparative advantage, which statement is correct?

A Country X has the higher opportunity cost in producing cotton.

B Country Y has the lower opportunity cost in producing rice.

C Country X should produce both goods as the opportunity cost is the same.

D Country Y should produce both goods as it has an absolute advantage in both.

204 – (9708/13_Winter_2020_Q20) – *The Macro Economy*

In which circumstances will country X have a comparative advantage in the production of rice over country Y?

A when X has lower opportunity costs in producing rice than Y

B when X is in a customs union and Y is outside that union

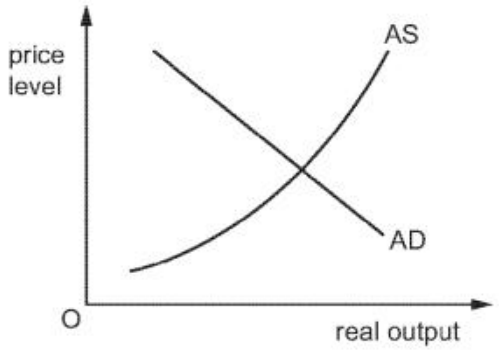
C when X uses dollars for trading and Y uses a different currency

D when X uses more units of labour than Y to produce rice

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205 – (9708/11_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

An economy is represented by the AD/AS diagram, which is initially in macroeconomic equilibrium.



Which change will definitely result in a rise in real output?

A a fall in personal taxation and a fall in government expenditure

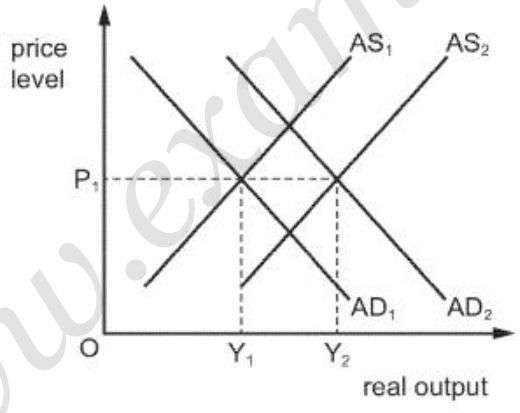
B a rise in consumption and a rise in the cost of raw materials

C a rise in export revenues and a fall in import expenditure

D a rise in government expenditure and a fall in investment

206 – (9708/13_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

The diagram shows an economy with an initial equilibrium real output of Y_1 at a price level of P_1.



Which combination of events is likely to cause the equilibrium real output to rise to Y_2?

A an increased budget deficit and a fall in energy costs

B an increased budget surplus and a rise in energy costs

C an increased trade deficit and a fall in indirect tax

D an increased trade surplus and a rise in indirect tax

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207 – (9708/12_Winter_2020_Q22) – *The Macro Economy*

The table shows an approximate summary of the current account of the balance of payments for Thailand.

Bank of Thailand current account (millions of US dollars)		
		April 2018
1	exports	18 990
2	imports	18 715
3	trade balance	275
4	net services, primary income and secondary income	1130

What is the current account balance, in millions of US dollars?

A –855 **B** 1405 **C** 1680 **D** 39 110

208 – (9708/13_Winter_2020_Q22) – *The Macro Economy*

The table gives figures from the current account of the balance of payments for New Zealand in 2018.

There are two blank spaces, X and Y, in the account.

	NZ$(millions)
exports of goods	54 700
imports of goods	57 400
balance of trade in goods	X
balance of trade in services	Y
primary income balance	–10 600
secondary income balance	–400
current account balance	–8 500

Four students were asked to fill in the spaces.

Which student was correct?

	X	Y
A	+2700	+5200
B	+2700	–5200
C	–2700	+5200
D	–2700	–5200

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209 – (9708/11_Winter_2020_Q23) – *The Macro Economy*

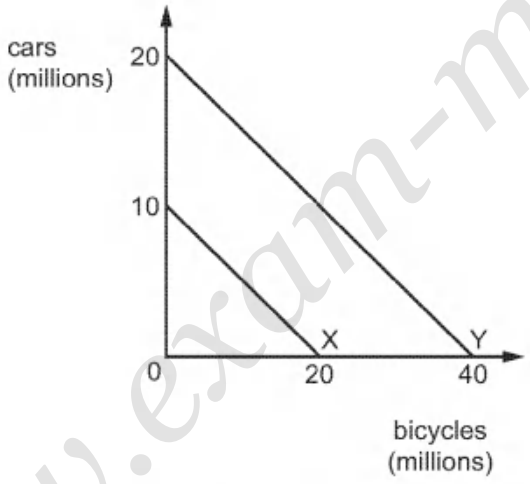
A country has a deficit of $300 million on the current account of its balance of payments. It devalues its currency in an attempt to reduce the deficit.

Which row is consistent with the idea that the J-curve operates in the short run but the Marshall-Lerner condition is satisfied in the long run?

	short-run deficit ($ million)	long-run deficit ($ million)
A	200	100
B	200	400
C	600	100
D	600	400

210 – (9708/12_Winter_2020_Q23) – *The Macro Economy*

The diagram shows the production possibility curves for two economies using all resources. Country X can produce 10 million cars or 20 million bicycles and country Y can produce 20 million cars or 40 million bicycles.



Which statement is correct about country X and country Y according to the theory of comparative advantage?

A Country X and country Y would not gain from free trade.

B Country X has a lower opportunity cost ratio in producing cars and bicycles than country Y.

C Country X has an absolute advantage over country Y in the production of both goods.

D Country Y will have a faster rate of economic growth than country X.

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211 – (9708/13_Winter_2020_Q23) – *The Macro Economy*

What is indicated by an economy's terms of trade?

A the degree of its dependence on imports

B the international competitiveness of its exports

C the purchasing power of its exports relative to its imports

D the relative strength of its currency in the foreign exchange market

212 – (9708/11_Winter_2020_Q24) – *The Macro Economy*

A family takes a holiday abroad. Four students are asked to show where the cost of the accommodation would be recorded in the current account of the balance of payments of the country visited.

Which student is correct?

	trade in goods	trade in services	export / credit	import / debit
A	✓	✗	✓	✗
B	✓	✗	✗	✓
C	✗	✓	✓	✗
D	✗	✓	✗	✓

213 – (9708/12_Winter_2020_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

A country has a balance of payments deficit. It devalues its currency.

Which combination leads to a reduction in its balance of payments deficit in the long run?

	price elasticity of demand for exports	price elasticity of demand for imports
A	less than 0.5	less than 0.5
B	less than 1	zero (0)
C	more than 0.5	more than 0.5
D	zero (0)	less than 1

214 – (9708/13_Winter_2020_Q24) – *The Macro Economy, Government Macro Intervention*

A country operates a floating exchange rate.

Why might a government change to a fixed exchange rate?

A to increase the stock of foreign currency reserves

B to make the terms of trade more favourable

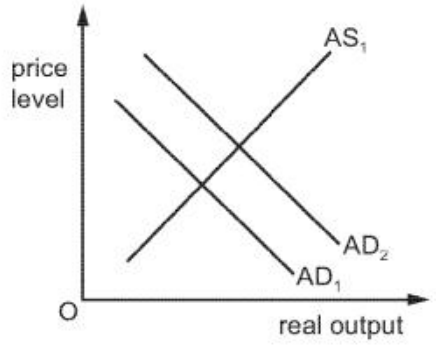
C to raise the level of certainty for businesses

D to use the exchange rate to reduce domestic prices

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215 – (9708/12_Winter_2020_Q25) – *The Macro Economy*

The diagram shows aggregate demand curves AD_1 and AD_2 and an aggregate supply curve AS_1.



What could cause the shift in the aggregate demand curve from AD_1 to AD_2?

A a rise in the interest rates

B a rise in output per worker

C a rise in the budget deficit

D a rise in the value of the exchange rate

216 – (9708/13_Winter_2020_Q25) – *The Macro Economy*

What term relates to a fall in the domestic real value of a currency?

A deflation

B depreciation

C devaluation

D inflation

217 – (9708/11_Winter_2020_Q26) – *The Macro Economy, Government Macro Intervention*

When is a deficit on the current account of the balance of payments likely to worsen?

A when a government adopts a deflationary macroeconomic policy

B when a government subsidises exports

C when prices of essential imported raw materials increase significantly

D when tariffs are placed on imported products with a wide range of domestic substitutes

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218 – (9708/13_Winter_2020_Q26) – *The Macro Economy, Government Macro Intervention*

A country has a persistent balance of payments deficit.

What is most likely to improve the situation in the long run?

A a lowering of the level of import duties

B a reduction in the level of income tax

C the introduction of expansionary monetary policy

D the use of grants to encourage new investment by firms

219 – (9708/12_Winter_2020_Q27) – *The Macro Economy*

Devaluation always has the effect of

A decreasing the price of imports.

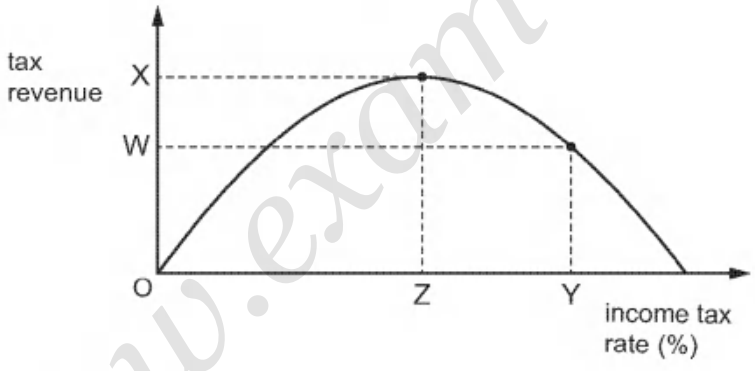
B decreasing the value of imports.

C worsening the balance of payments.

D worsening the terms of trade.

220 – (9708/11_Winter_2020_Q29) – *The Macro Economy*

The diagram shows the relationship between the income tax rate and tax revenue.



Which statement is correct?

A A tax rate cut from Y to Z will cause tax revenue to decrease.

B At tax rates below Z a tax rate cut will cause tax revenue to increase.

C The greater the rate of tax increases beyond Z, the smaller will be the tax revenue generated.

D Tax revenue will always increase as the rate of income tax increases.

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221 – (9708/12_Winter_2020_Q30) – *The Macro Economy*

What represents the total of aggregate demand in a closed economy?

A C + I + G

B C + I + G + X

C C + I + G + (X – M)

D C – (S + T)

222 – (9708/12_Summer_2021_Q3) – *Basic Economic Ideas And Resource Allocation, The Macro Economy*

If the rate of inflation rises from 2% to 20%, which function of money is likely to be most affected?

A medium of exchange

B standard for deferred payment

C store of value

D unit of account

223 – (9708/13_Summer_2021_Q19) – *The Macro Economy*

What would be certain to cause a fall in a country's cost of living?

A a fall in real incomes

B a fall in the inflation rate

C a negative inflation rate

D a reduction in direct tax rates

224 – (9708/12_Summer_2021_Q20) – *The Macro Economy, Government Macro Intervention*

A government devalues its fixed exchange rate.

What is most likely to be its aim?

A to improve the terms of trade

B to increase the level of aggregate demand

C to reduce a current account surplus

D to reduce demand-pull inflation

225 – (9708/13_Summer_2021_Q20) – *The Macro Economy*

What is **not** an aim of protectionism?

A to improve balance of trade

B to increase price of exports

C to protect infant industries

D to reduce the volume of imports

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226 – (9708/13_Summer_2021_Q21) – *The Macro Economy*

A country with a fixed exchange rate experiences a higher rate of inflation than its trading partners.

What is the likely effect on the country's volume of exports and imports?

	exports	imports
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

227 – (9708/12_Summer_2021_Q22) – *The Macro Economy*

What is correct about the causes of inflation?

A Cost-push inflation can be caused by a rising exchange rate.

B Cost-push inflation can be caused by lower indirect taxes.

C Demand-pull inflation can be caused by a rising exchange rate.

D Demand-pull inflation can be caused by lower direct taxes.

228 – (9708/13_Summer_2021_Q22) – *The Macro Economy*

A sudden rise in the price of imported oil caused the annual rate of inflation in a given period to be higher than expected.

What might be a likely result of this?

A Borrowers would gain.

B Real wages would rise.

C The balance of trade would improve.

D Unemployment would fall.

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229 – (9708/12_Summer_2021_Q23) – *The Macro Economy*

The figures shown are from New Zealand's balance of payments for 2017 according to data published by Stats NZ in September 2018.

	NZ$m
capital account balance	1300
current account balance	–7000
financial account balance	7600
goods balance	–3000
services balance	5000

What was the value of the balancing item (net errors and omissions) in NZ$m?

A –3900 **B** –2000 **C** –1900 **D** 5700

230 – (9708/13_Summer_2021_Q23) – *The Macro Economy*

What may increase the benefits a country gains from international trade?

A a reduction in transportation costs because of a fall in world oil prices

B domestic wage rates increase at a faster rate than output per worker

C the domestic labour force becomes more occupationally immobile

D trading partners increase tariffs on imported goods

231 – (9708/12_Summer_2021_Q24) – *The Macro Economy*

Two statements are shown.

1 A country can produce a good at a lower opportunity cost than another country.

2 A country can produce a greater quantity of a good for the same quantity of inputs than another country.

What do these two statements describe?

	1	2
A	absolute advantage	comparative advantage
B	absolute advantage	the terms of trade
C	comparative advantage	absolute advantage
D	the terms of trade	comparative advantage

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232 – (9708/13_Summer_2021_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

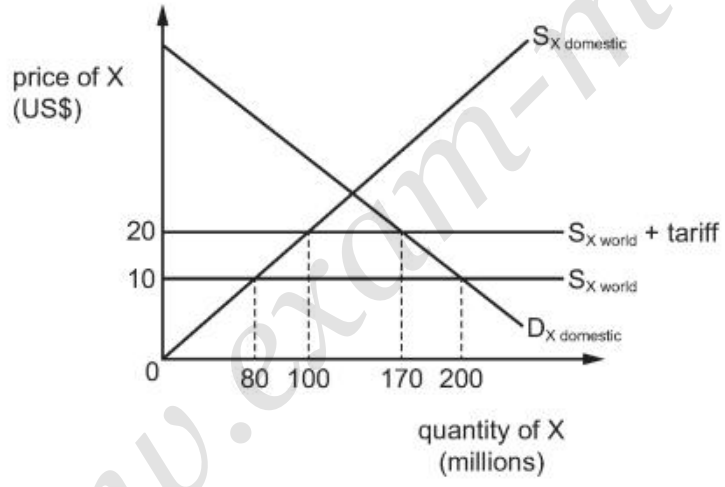
The world trade price of cars in country Y is US$10 000. At this price domestic car producers supply 100 000 cars to the market and domestic consumers purchase 200 000 cars. The government of country Y imposes a 10% tariff on imported cars.

Under which conditions will this tariff raise the most revenue for the government?

	price elasticity of supply of car producers in country Y	price elasticity of demand for cars in country Y
A	+0.5	–0.5
B	+0.5	–1.5
C	+1.5	–0.5
D	+1.5	–1.5

233 – (9708/12_Summer_2021_Q25) – *The Macro Economy*

The diagram shows the effect of the introduction of a tariff on good X by country Y.



What is the revenue, in US$ million, received by producers of good X in country Y after the tariff is introduced?

A 400 **B** 800 **C** 1000 **D** 2000

234 – (9708/13_Summer_2021_Q25) – *The Macro Economy*

A country has a balance of trade deficit.

When will this be **least** likely to be improved as a result of a depreciation of its currency?

A if it is currently operating with a significant amount of unused resources

B if the sum of the price elasticities of demand for exports and imports is less than 1

C if in the long term, the price elasticity of demand for exports should increase

D if the country uses a relatively small proportion of imports in their production process

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235 – (9708/12_Summer_2021_Q26) – *The Macro Economy*

Between 2011 and 2013, retailers reported that expenditure on domestically-produced and imported goods had reduced. This was because consumers did not take out loans as the economy was in a recession.

What is the likely result of this?

A a decline in the deficit in the trade account

B a decline in the level of savings

C a decline in the terms of trade

D a decline in unemployment

236 – (9708/13_Summer_2021_Q26) – *The Macro Economy*

Which statement about trade protection is correct?

A A tariff results in a greater decrease in demand for an import the lower is its price elasticity of demand.

B Embargoes are only an effective trade barrier when the demand for imports is price-elastic.

C Export subsidies to domestic firms will prevent the dumping of foreign products in the domestic market.

D Quotas are less effective than tariffs for raising government revenue.

237 – (9708/12_Summer_2021_Q27) – *The Macro Economy*

Increased international competition leads to a worsening in a country's current account balance.

In the absence of any offsetting factors, how is this likely to affect the exchange rate and domestic cost-push inflation?

	exchange rate	cost-push inflation
A	appreciate	decrease
B	appreciate	increase
C	depreciate	decrease
D	depreciate	increase

238 – (9708/12_Summer_2021_Q28) – *The Macro Economy*

Why are higher interest rates together with increased taxation on expenditure likely to cause domestic deflation?

A because the contractionary monetary policy will over-ride the expansionary fiscal policy

B because the monetary and fiscal policies involved will reinforce each other

C because the expansionary monetary policy will over-ride the contractionary fiscal policy

D because the monetary and fiscal policies involved will cancel each other out

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239 – (9708/12_Winter_2021_Q19) – *The Macro Economy*

Compared with Pakistan, Germany has a higher output of pharmaceuticals per unit of resources used.

What could explain this?

A the existence of floating exchange rates

B the law of absolute advantage

C the Marshall–Lerner condition

D the terms of trade

240 – (9708/13_Winter_2021_Q19) – *The Macro Economy*

According to the theory of comparative advantage, what makes trade beneficial between two countries?

A Each country has different goods to sell and different tastes.

B Each country has different opportunity costs of production.

C One country has the absolute advantage in producing both goods.

D The prices of goods are different between each country.

241 – (9708/11_Winter_2021_Q20) – *The Macro Economy*

What is disinflation?

A a fall in output

B a fall in the price level

C a fall in the rate of increase of the price level

D a fall in the value of national income

242 – (9708/12_Winter_2021_Q20) – *The Macro Economy*

Which statement about inflation is correct?

A Inflation will lead to a rise in exports.

B Inflation will lead to a rise in real incomes.

C Inflation will lead to a rise in the cost of living.

D Inflation will lead to a rise in the purchasing power of money.

243 – (9708/11_Winter_2021_Q21) – *The Macro Economy*

What best describes a country's terms of trade?

A the difference between the volume of its exports and its imports

B the average price of its exports divided by the average price of its imports

C the total value of its exports divided by the total value of its imports

D the volume of its exports divided by the volume of its imports

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244 – (9708/12_Winter_2021_Q21) – *The Macro Economy*

Why is it that a country's balance of payments must always balance?

A Exchange rate changes will correct any deficit or surplus.

B One country's deficit is balanced by another country's surplus.

C The current account is balanced by the capital and financial accounts.

D The government must act to correct any disequilibrium.

245 – (9708/13_Winter_2021_Q21) – *The Macro Economy*

The table shows the average changes in the prices and volumes of exports and imports.

Which combination of changes would result in an increase in the terms of trade?

	export prices	export volumes	import prices	import volumes
A	–10%	+15%	–15%	+10%
B	–3%	+6%	–2%	+1%
C	+5%	–5%	+6%	–1%
D	+10%	–5%	+12%	–6%

246 – (9708/11_Winter_2021_Q22) – *The Macro Economy*

A developed country has a price-inelastic demand for oil, all of which it imports. The oil-producing countries increase the supply of oil.

What is likely to happen to the developed country's rate of inflation and its balance of trade?

	rate of inflation	balance of trade
A	decreases	improves
B	decreases	worsens
C	increases	improves
D	increases	worsens

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247 – (9708/11_Winter_2021_Q23) – *The Macro Economy*

Country X and country Y both produce rice and tables. Half of their resources are used to produce rice and the other half to produce tables. The resulting output of each product is given in the table shown.

country	rice	tables
X	150	100
Y	100	50

What can be concluded from the table?

A Country X has a comparative advantage in the production of both goods.

B Country X has a comparative advantage in the production of rice.

C Country Y has a comparative advantage in the production of both goods.

D Country Y has a comparative advantage in the production of rice.

248 – (9708/12_Winter_2021_Q23) – *The Macro Economy*

The average price of a country's exports increased by 5% and the average price of its imports increased by 10%.

What can definitely be concluded from this information?

A Its balance of trade will improve.

B Its balance of trade will worsen.

C Its terms of trade have improved.

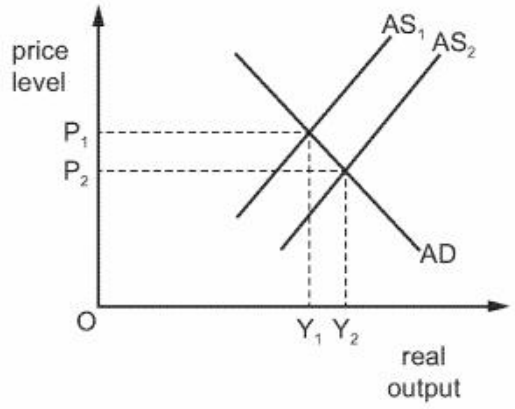
D Its terms of trade have worsened.

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249 – (9708/13_Winter_2021_Q23) – *The Macro Economy*

The diagram shows aggregate demand (AD) and aggregate supply (AS) for an economy.



What is most likely to cause the shift from AS_1 to AS_2?

A a decrease in the exchange rate

B a decrease in the price level

C a fall in immigration

D a fall in the average level of wages

250 – (9708/11_Winter_2021_Q24) – *The Macro Economy, Government Macro Intervention*

An economy experiences a deficit on the current account of its balance of payments.

What could the economy do to finance this deficit?

A adopt a fixed exchange rate

B attract more foreign direct investment

C decrease income tax rates

D lower the rate of interest

251 – (9708/12_Winter_2021_Q24) – *The Macro Economy*

There is an increase in indirect taxes.

What will be the impact on demand-pull inflation and on cost-push inflation?

	demand-pull inflation	cost-push inflation
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

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252 – (9708/11_Winter_2021_Q25) – *The Macro Economy*

A resident of country X buys shares in a firm in country Y. The shares then pay the resident a dividend.

Where are these two flows recorded in country X's balance of payments?

	purchase	dividend
A	capital account	primary income (income)
B	capital account	secondary income (current transfers)
C	financial account	primary income (income)
D	financial account	secondary income (current transfers)

253 – (9708/12_Winter_2021_Q25) – *The Macro Economy*

The table shows the number of biscuits and cakes that can be produced by four workers in an hour.

	Laura	Mo	Nathan	Omar
biscuits	6	10	13	8
cakes	3	10	12	16

Who has the greatest comparative advantage in producing biscuits?

A Laura

B Mo

C Nathan

D Omar

254 – (9708/13_Winter_2021_Q25) – *The Macro Economy*

A country has a floating exchange rate.

An increase in which variable within that country can cause its exchange rate to appreciate?

A employment levels

B income levels

C interest rates

D price levels

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255 – (9708/11_Winter_2021_Q26) – *The Macro Economy*

What is the most likely cause of cost-push inflation in an economy?

A an increase in the exchange rate

B an increase in the money supply

C an increase in the prices of imports

D an increase in the rate of income tax

256 – (9708/12_Winter_2021_Q26) – *The Macro Economy*

Which condition is necessary for a country's balance of payments on its current account to improve if it reduced its exchange rate?

A Both the price elasticities of supply for its imports and its exports must be elastic.

B The importing country will buy all the excess supplies of its trading partner to clear the market.

C The sum of the price elasticities of domestic demand for imports and the foreign demand for exports must be greater than one.

D The trading partners need to agree on the maximum prices to be charged for imports and exports.

257 – (9708/11_Winter_2021_Q27) – *The Macro Economy*

Which changes are most likely to reduce the accuracy of the consumer prices index (CPI) as a measurement of inflation?

A A larger sample is used in the household spending survey.

B Technology makes it easier for retailers to submit accurate monthly price data.

C Households change their spending habits.

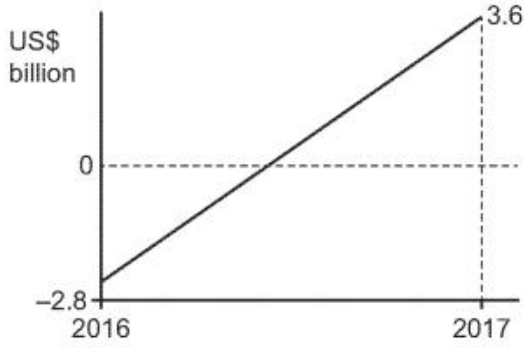
D The weightings attached to the basket of goods are reviewed more often.

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258 – (9708/13_Winter_2021_Q27) – *The Macro Economy*

The graph shows the change in the current account of Belgium's balance of payments from 2016 to 2017.



What will be the **most** likely impact of the change shown by the graph on Belgium's domestic economy?

A a fall in the rate of economic growth

B a fall in the foreign currency reserves

C a fall in the number of unemployed

D a fall in the rate of inflation

259 – (9708/13_Winter_2021_Q30) – *The Macro Economy*

What are the components of aggregate demand?

A consumption + investment + government spending + (exports – imports)

B consumption + investment + taxation – (exports – imports)

C consumption + saving + taxation – (exports – imports)

D consumption + saving + taxation + (exports – imports)

260 – (9708/11_Summer_2022_Q19) – *The Macro Economy*

Turkey can produce a good but also imports some of the good from Egypt. The Turkish currency depreciates against the Egyptian currency.

How is this most likely to affect production of this good in Egypt and in Turkey?

	production in Egypt	production in Turkey
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

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261 – (9708/12_Summer_2022_Q19) – *The Macro Economy*

In 2020, shops reported a fall in sales as domestic demand in an economy fell. However, the impact on the overall economy was not as unfavourable as was first feared.

What might have lessened the impact on the economy?

A Exports increased.

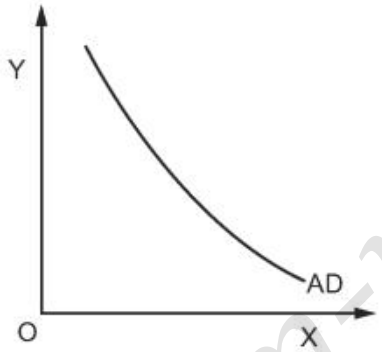
B Imports increased.

C Savings increased.

D Taxes increased.

262 – (9708/13_Summer_2022_Q19) – *The Macro Economy*

The diagram shows an aggregate demand (AD) curve.



What is measured on the horizontal (X) axis and the vertical (Y) axis?

	horizontal axis X	vertical axis Y
A	money national output	real disposable income
B	price level	real GDP
C	real GDP	price level
D	real disposable income	money national output

263 – (9708/14_Summer_2022_Q19) – *The Macro Economy*

Which change will **not** affect the balance of payments current account?

A a rise in export and import prices

B a rise in foreign aid flows

C a rise in international exchange rates

D a rise in foreign direct investment

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264 – (9708/11_Summer_2022_Q20) – *The Macro Economy*

The table shows a country's total output and its average price in each of three years.

year	output (millions)	price ($)
1	10	20
2	12	24
3	13	26

What can be concluded about output?

A Nominal output and real output increased at the same rate.

B Nominal output rose at a faster rate than real output.

C Nominal output rose at an increasing rate.

D Real output rose at a constant rate.

265 – (9708/12_Summer_2022_Q20) – *The Macro Economy*

What does a trade-weighted exchange rate attempt to take account of?

A a country's terms of trade

B international trade as a proportion of a country's national income

C the relative value of international trade done with a country's trading partners

D the size of a country's current account surplus or deficit

266 – (9708/13_Summer_2022_Q20) – *The Macro Economy*

What could explain an improvement in the terms of trade for a country?

A an increase in tariffs on imports

B a decrease in the volume of imports sold

C an increase in the prices of exports

D a decrease in the volume of exports sold

267 – (9708/14_Summer_2022_Q20) – *The Macro Economy*

Which statement correctly describes how an import quota works?

A It is a ban on the import of demerit goods.

B It imposes strict product regulations on imports.

C It is a unit tax that raises the price of imported goods.

D It limits the quantity of certain imported goods.

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268 – (9708/12_Summer_2022_Q21) – *The Macro Economy*

What will lead to an improvement in the terms of trade?

A Export prices fall by 10% and import prices fall by 5%.

B Export prices fall by 10% and import prices rise by 5%.

C Export prices rise by 5% and import prices rise by 10%.

D Export prices rise by 10% and import prices rise by 5%.

269 – (9708/13_Summer_2022_Q21) – *The Macro Economy*

What is a correct description of an aggregate demand (AD) curve?

A It is a curve obtained by adding the market demand curves of all consumer goods traded in an economy.

B It is a curve determined by the horizontal summation of all individual consumer demand curves for a product.

C It is a curve that shows the total amount of goods and services firms are willing to buy at a given price in an economy.

D It is a curve that shows the total demand of all goods and services produced at all price levels in an economy.

270 – (9708/14_Summer_2022_Q21) – *The Macro Economy*

Country X conducts 60% of its trade with country Y and 40% of its trade with country Z. The initial value of the trade-weighted exchange rate index of country X is 100.

What will be its new trade-weighted exchange rate index value if its currency falls in value by 20% against the currency of country Y and rises by 10% against the currency of country Z?

A 84 **B** 90 **C** 92 **D** 116

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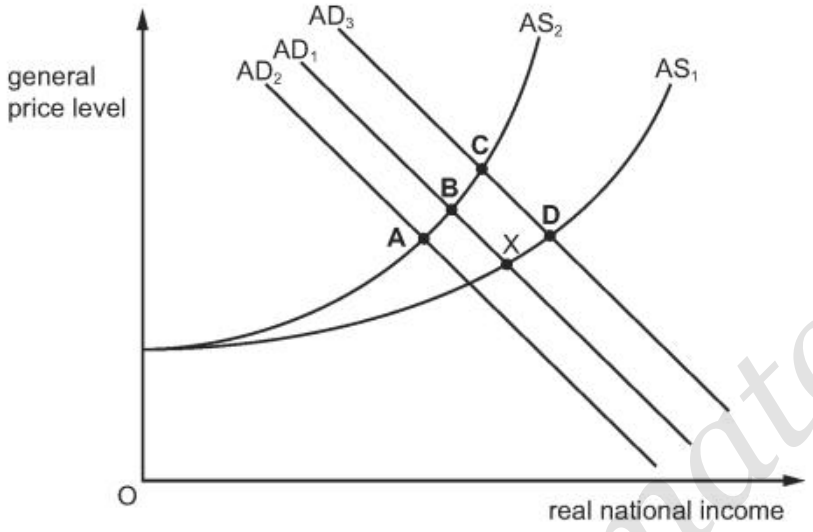
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271 – (9708/11_Summer_2022_Q22) – *The Macro Economy*

The aggregate demand (AD) and aggregate supply (AS) diagram shows an economy in equilibrium at X.

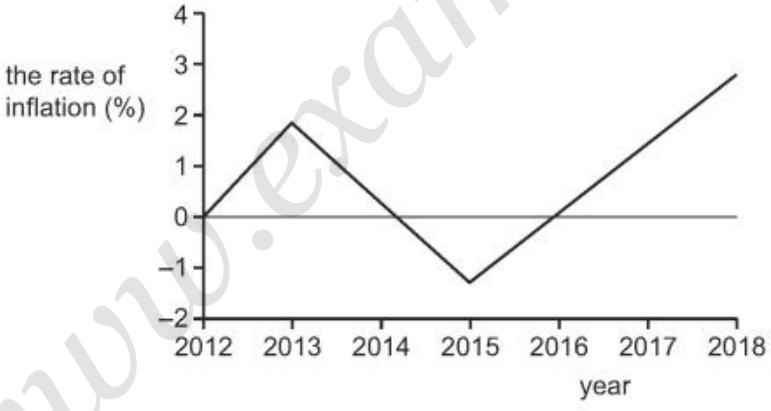
In this economy, a severe shortage of raw materials causes a large rise in their price.

The effect of this change is shown by a move to which point?



272 – (9708/12_Summer_2022_Q22) – *The Macro Economy*

The diagram shows the annual inflation rate in an economy.



What can be deduced from the graph?

A The price of goods and services fell between 2013 and 2014.

B Disinflation took place between 2014 and 2015.

C The purchasing power of money increased between 2014 and 2015.

D The cost of living fell from 2016 onwards.

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273 – (9708/13_Summer_2022_Q22) – *The Macro Economy*

The data in the table is extracted from the Singapore Balance of Payments for 2019.

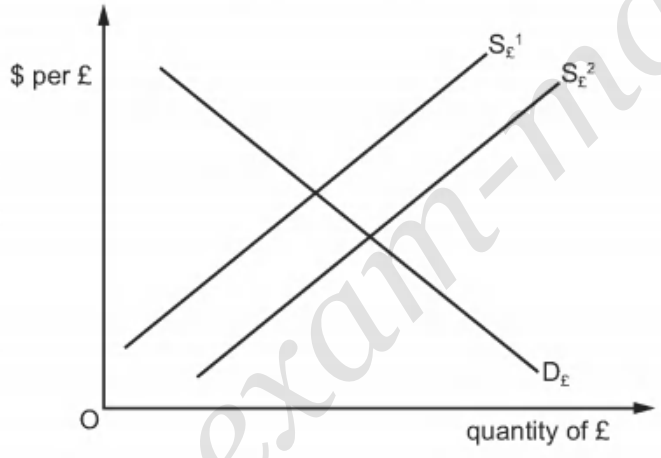
	$m
goods balance	+134 000
services balance	+8 000
capital and financial account (net)	+95 000
balancing item	–3 000

What was the value ($m) of the trade balance on the current account in 2019?

A 126 000 **B** 142 000 **C** 234 000 **D** 237 000

274 – (9708/14_Summer_2022_Q22) – *The Macro Economy*

The diagram shows a freely floating foreign exchange market in the United Kingdom (UK) for the demand and supply of pounds sterling (£) in exchange for United States (US) dollars ($).



What could cause the downward shift shown?

A UK interest rate falls below US interest rate.

B The demand for UK exports is price-elastic and prices increase.

C The demand for US exports is price-elastic and prices decrease.

D People believe that sterling will appreciate.

275 – (9708/12_Summer_2022_Q23) – *The Macro Economy, Government Macro Intervention*

A country operates a fixed exchange rate system.

What will put pressure on the country to devalue its currency?

A a decrease in the country's inflation rate relative to the inflation rates of other countries

B a decrease in the tariffs on its products imposed by other countries

C an increase in its current account balance of payments deficit with other countries

D an increase in the country's interest rate relative to the interest rates of other countries

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276 – (9708/13_Summer_2022_Q23) – *The Macro Economy*

A household's income increased by 3%. Over the same period, the rate of inflation was also 3%.

Which statement is correct?

A Both the nominal income of the household and the real income of the household increased by 3%.

B The nominal income of the household remained unchanged while the real income of the household increased by 3%.

C The nominal income of the household increased by 3% while the real income of the household remained unchanged.

D The nominal income of the household increased by 3% while the real income of the household increased by 6%.

277 – (9708/14_Summer_2022_Q23) – *The Macro Economy*

What is a likely consequence of inflation?

A Fixed-income earners gain more than those whose income is gained from the ownership of property.

B Real wages rise more than money wages.

C The assets of creditors decrease in value at the expense of those of debtors.

D The domestic purchasing power of money increases.

278 – (9708/11_Summer_2022_Q24) – *The Macro Economy*

What leads to a fall in a country's terms of trade?

A a fall in the price of exports relative to the price of imports

B a fall in the price of imports relative to the price of exports

C a fall in the quantity of exports relative to the quantity of imports

D a fall in the quantity of imports relative to the quantity of exports

279 – (9708/12_Summer_2022_Q24) – *The Price System And The Micro Economy, The Macro Economy*

The table gives different combinations of possible values for a country's price elasticity of demand for exports and price elasticity of demand for its imports.

Following the devaluation of the country's currency, under which combination of elasticities would the country's balance of payments on the current account worsen?

	price elasticity of demand for exports	price elasticity of demand for imports
A	0.3	0.3
B	0.2	0.9
C	0.6	0.5
D	1.2	1.2

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280 – (9708/13_Summer_2022_Q24) – *The Macro Economy, Government Macro Intervention*

A country operates a fixed exchange rate.

There is a major fall of international confidence in its government's economic policies.

What is likely to be the result?

A a fall in its foreign exchange rate

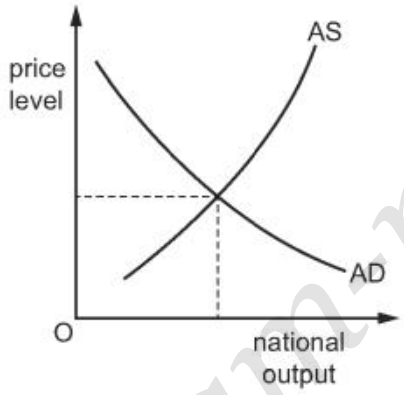
B a fall in its foreign exchange reserves

C a rise in its capital inflows

D a rise in its terms of trade

281 – (9708/14_Summer_2022_Q24) – *The Macro Economy*

The diagram shows an aggregate demand (AD) and an aggregate supply (AS) curve.



There is a sustained rise in the prices of imported raw materials on which the economy depends.

Assuming AD remains independent of AS, what are the most likely effects on the economy?

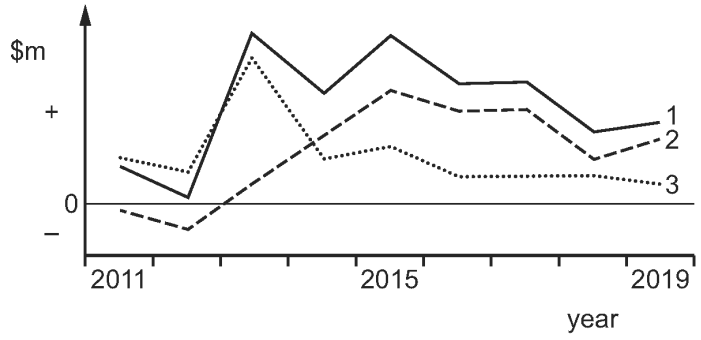
	AS	price level
A	decreases	falls
B	increases	falls
C	decreases	rises
D	increases	rises

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282 – (9708/11_Summer_2022_Q25) – *The Macro Economy*

The diagram has three lines that show the values of an economy's exports, imports and trade balance between 2011 and 2019.



How should the lines be labelled?

	line 1	line 2	line 3
A	exports	imports	trade balance
B	exports	trade balance	imports
C	imports	exports	trade balance
D	imports	trade balance	exports

283 – (9708/13_Summer_2022_Q25) – *The Macro Economy*

In 2018, the inflation rate in Argentina was over 100%.

Which combination correctly identifies the winners and losers during this period?

	winners	losers
A	firms selling goods abroad	households paying back loans
B	firms unable to decrease real wages	firms paying back loans on fixed monthly repayments
C	individuals with a high amount of debt at a fixed rate of interest	households that hold most of their assets in cash
D	workers on fixed wage contracts	the retired on fixed incomes

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284 – (9708/14_Summer_2022_Q25) – *The Macro Economy*

The currency of country X has a floating exchange rate against other currencies.

Under which circumstances will the value of country X's currency fluctuate the most against other currencies on the foreign exchange market?

	price elasticity of demand for the currency of country X	price elasticity of supply for the currency of country X
A	elastic	elastic
B	inelastic	elastic
C	elastic	inelastic
D	inelastic	inelastic

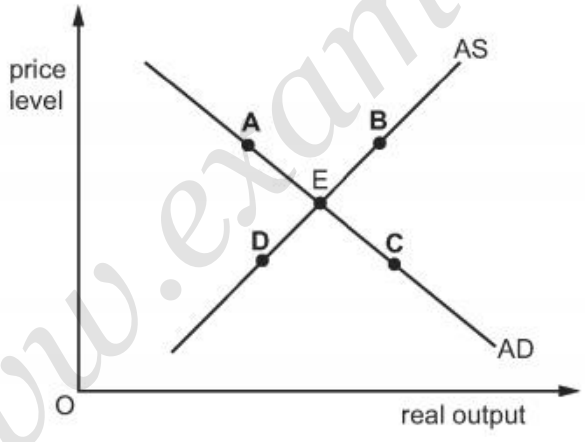
285 – (9708/13_Summer_2022_Q26) – *The Macro Economy*

The diagram shows the aggregate demand (AD) and aggregate supply (AS) for a country. The initial equilibrium is at point E.

The sum of the price elasticities of demand for imports and exports for this country exceeds one.

A devaluation of the country's exchange rate will cause aggregate demand to change.

What will be the new equilibrium?



286 – (9708/14_Summer_2022_Q26) – *The Macro Economy*

A country has a floating exchange rate.

An increase in which variable in the country will cause its currency to appreciate?

A the budget deficit

B the general price level

C the interest rate

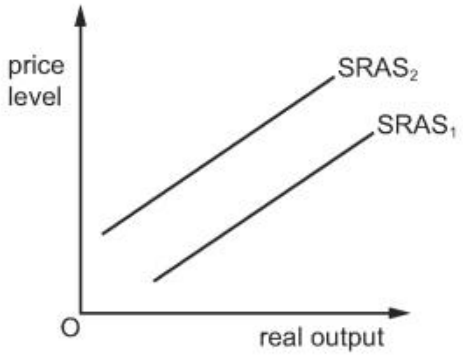
D the trade deficit

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287 – (9708/12_Summer_2022_Q27) – *The Macro Economy*

The diagram shows a shift in a country's short-run aggregate supply curve from $SRAS_1$ to $SRAS_2$. The country imports oil.



Why might an increase in the world price of oil have caused this shift?

A A rise in inflation is expected.

B Consumers face a fall in their disposable income.

C Domestic firms' costs have increased.

D The government reduces tax on oil and petroleum products.

288 – (9708/13_Summer_2022_Q27) – *The Macro Economy*

In 2000, Japan was Asia's largest exporter of electrical components, but by 2018 it was ranked 8th.

What might explain this change?

A Japan has a lower opportunity cost in electrical component production than its Asian competitors.

B Japan has experienced greater deflation than its Asian competitors.

C Japan has imposed tariffs on the import of electrical components from its Asian competitors.

D The Japanese Yen has appreciated against the currencies of its Asian competitors.

289 – (9708/14_Summer_2022_Q27) – *The Macro Economy*

What is an accurate statement about possible causes and/or consequences of a worsening in a country's terms of trade?

A It will result from a fall in the demand for its exports.

B It will result from an increase in consumers' incomes in its major trading partners.

C It will result in a decrease in interest rates by its major trading partners.

D It will result in an improvement in its balance of trade.

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290 – (9708/13_Summer_2022_Q28) – *The Macro Economy, Government Macro Intervention*

Which measure to correct a balance of payments current account deficit would be classified as an expenditure-reducing policy?

A a reduction in interest rates

B a revaluation of the currency

C an increase in direct taxes

D an introduction of foreign exchange controls

291 – (9708/12_Summer_2022_Q29) – *The Macro Economy*

What is an example of contractionary fiscal policy?

A an increase in the budget deficit

B an increase in the budget surplus

C an increase in the interest rate

D an increase in the money supply

292 – (9708/12_Winter_2022_Q18) – *The Macro Economy*

What best illustrates the process of privatisation?

A a single private shareholder acquires complete control of an organisation

B the purchase of government bonds by private sector commercial organisations

C the purchase of shares in a private company

D the transfer of public sector assets to the private sector

293 – (9708/12_Winter_2022_Q19) – *The Macro Economy*

What defines a progressive tax?

A Low-income earners pay the same proportion of income in taxes as high-income earners.

B Low-income earners pay a lower proportion of income in taxes than high-income earners.

C Low-income earners pay less in taxes than high-income earners.

D Low-income earners pay more in taxes than high-income earners.

294 – (9708/12_Winter_2022_Q20) – *The Macro Economy*

An increase in what will shift the aggregate demand curve in an economy to the right?

A budget deficit

B consumer savings

C general price level

D interest rate

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295 – (9708/12_Winter_2022_Q21) – *The Macro Economy*

Which effect of inflation is described as redistributive?

A the improvement in the terms of trade

B the deterioration in the balance of trade

C the inconvenience of frequently changing prices

D the loss of purchasing power for people on fixed incomes

296 – (9708/13_Winter_2022_Q21) – *The Macro Economy*

An economy is initially in equilibrium.

Which combination of events will **definitely** cause an increase in the general price level of the economy and a decrease in its real output?

	aggregate demand	short-run aggregate supply
A	decreases	decreases
B	decreases	unchanged
C	increases	decreases
D	unchanged	decreases

297 – (9708/12_Winter_2022_Q22) – *The Macro Economy*

In which situation will a country's terms of trade improve?

A Its total value of imports rises less than its total value of exports.

B Its volume of imports rises less than its volume of exports.

C The prices of its imports rise by less than the prices of its exports.

D The value of its external payments rises by less than the value of its external receipts.

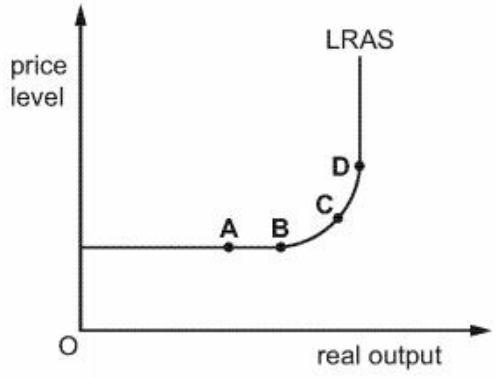
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298 – (9708/13_Winter_2022_Q22) – *The Macro Economy*

The government of a country changes from a balanced budget to a budget deficit.

From which point along the country's long-run aggregate supply curve (LRAS) will this change cause the largest increase in employment without creating inflationary pressure?



299 – (9708/12_Winter_2022_Q23) – *The Macro Economy*

Country X joins a customs union with country Y and will remove the tariff on its imports of good M from country Y.

Under which conditions will trade creation in country X be the largest?

	existing size of country X's tariff on imports of good M	price elasticity of demand for good M in country X
A	large	–0.8
B	large	–1.4
C	small	–0.8
D	small	–1.4

300 – (9708/13_Winter_2022_Q23) – *The Macro Economy*

The price and volume indexes of a country's imports and exports are shown in the table, for year 2 [year 1 = 100].

year 2 price index		year 2 volume index	
imports	exports	imports	exports
110	121	90	80

What is the country's terms of trade index for year 2?

A 90.9 **B** 97.8 **C** 110.0 **D** 111.0

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301 – (9708/12_Winter_2022_Q24) – *The Macro Economy*

What is likely to happen if there is a fall in the international value of a country's currency?

A a rise in the foreign currency price of its exports

B a rise in the volume of its exports

C a fall in the domestic currency price of its imports

D a fall in the domestic price level

302 – (9708/13_Winter_2022_Q24) – *The Macro Economy*

What is a certain outcome on an aggregate demand and aggregate supply diagram of an increase in factor productivity?

A downward shift of the aggregate demand curve

B downward shift of the aggregate supply curve

C an upward shift of the aggregate demand curve

D an upward shift of the aggregate supply curve

303 – (9708/12_Winter_2022_Q25) – *The Macro Economy*

From the same quantity of factors of production, country X and country Y each produce the following units of output.

country	sugar	textiles
X	30	20
Y	40	10

Which statement is correct?

A Country X has absolute advantage in the production of both goods.

B Country X has comparative advantage in the production of sugar.

C Country Y has absolute advantage in the production of textiles.

D Country Y has comparative advantage in the production of sugar.

304 – (9708/13_Winter_2022_Q25) – *The Macro Economy*

Trade in services is a component of the current account of the balance of payments.

What is an example of a trade in services?

A development aid for foreign countries

B export revenue from primary commodities

C income from foreign tourists

D income from overseas investments

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305 – (9708/11_Winter_2022_Q26) – *The Macro Economy*

What is likely to explain an increase in the deficit on a country's current account of the balance of payments?

A an increase in government foreign aid to countries abroad

B an increase in government tax rates

C an increase in other countries' exchange rates

D an increase in the proportion of income saved by the country's residents

306 – (9708/12_Winter_2022_Q26) – *The Macro Economy*

Following a 10% depreciation in the $ value of the £ sterling, a UK exporter leaves the $ price of the goods it sells in the US market unchanged.

Other things being equal, what will be the effect on the revenue measured in sterling obtained by the manufacturer from its sales in the US?

A It will increase.

B It will decrease.

C It will be unchanged.

D It will depend on the elasticity of demand for the manufacturer's good in the US.

307 – (9708/13_Winter_2022_Q26) – *The Macro Economy*

Which statement about changing price levels is correct?

A Anyone on a fixed income has rising real income during deflation.

B Government revenue from indirect taxes falls during inflation.

C Producers prefer deflation to inflation.

D Savers prefer index-linked savings when there is deflation rather than inflation.

308 – (9708/11_Winter_2022_Q27) – *The Macro Economy*

What does the Marshall–Lerner condition state must be present for a depreciation of a currency to cause an improvement in the current account balance?

A The price elasticity of demand for exports and the price elasticity of demand for imports are both greater than one.

B The price elasticity of demand for exports and the price elasticity of demand for imports are both less than one.

C The sum of the price elasticity of demand for exports and the price elasticity of demand for imports is greater than one.

D The sum of the price elasticity of demand for exports and the price elasticity of demand for imports is less than one.

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309 – (9708/11_Winter_2022_Q28) – *The Macro Economy*

To encourage people to work, a government increases the minimum income level at which people start to pay income tax.

Which types of macroeconomic policy are being followed?

	fiscal policy	monetary policy	supply side policy
A	✓	✗	✓
B	✗	✓	✓
C	✓	✓	✓
D	✓	✓	✗

310 – (9708/11_Winter_2022_Q29) – *The Macro Economy*

Raising interest rates is proposed to reduce a balance of payments deficit.

Which justification for this action is **not** valid?

A It will attract more foreign currency inflows.

B It will encourage exporters to find new foreign markets.

C It will lower the level of imported consumer goods.

D It will put downward pressure on the exchange rate.

311 – (9708/11_Winter_2022_Q30) – *The Macro Economy*

Which combination of changes is **most** likely to result in a fall in a country's inflation rate?

	exchange rate	interest rate	money supply
A	lower	higher	higher
B	higher	higher	lower
C	higher	lower	lower
D	lower	lower	higher

312 – (9708/11_Summer_2023_Q15) – *The Macro Economy*

Which statement correctly describes absolute advantage?

A It is when a country has a higher opportunity cost in producing a good than another country.

B It is when a country has a lower wage cost in producing a good than another country.

C It is when the relative prices of exports of a country are greater than the relative prices of its imports.

D It is when a country's output of a good is greater per unit of resource than another country.

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313 – (9708/11_Summer_2023_Q17) – *The Macro Economy*

Which group is most likely to suffer during high inflation?

A borrowers

B importers

C producers

D fixed wage earners

314 – (9708/11_Summer_2023_Q18) – *The Macro Economy*

Which statement explains why the aggregate demand curve is downward sloping?

A As prices fall, the demand for exports becomes more elastic.

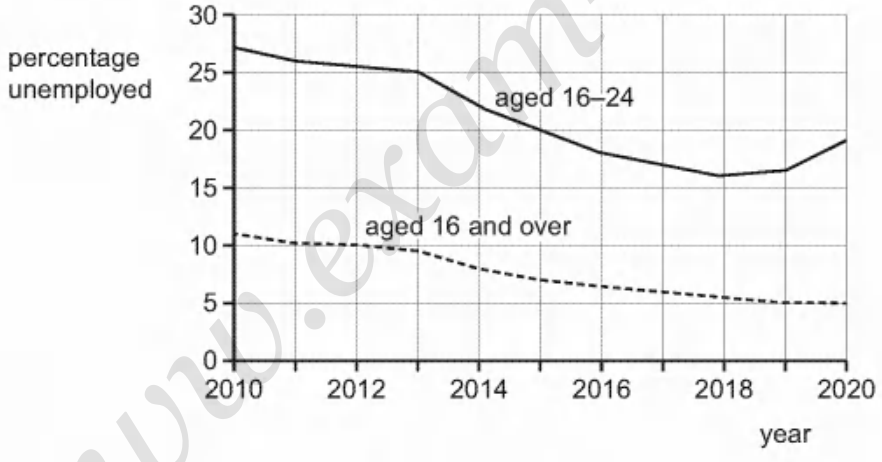
B As prices fall, fewer goods are imported.

C As prices fall, the rate of interest will rise.

D As prices fall, real wealth rises and so spending increases.

315 – (9708/11_Summer_2023_Q20) – *The Macro Economy*

The graph gives the percentage unemployed for all people aged 16 and over, and for young people aged 16–24.



What is the consequence for consumer expenditure on products consumed by the 16–24 age group over the period 2010–2020?

A a fall in consumer expenditure across the whole period

B an initial fall in consumer expenditure followed by a rise

C an initial rise in consumer expenditure followed by a fall

D a rise in consumer expenditure across the whole period

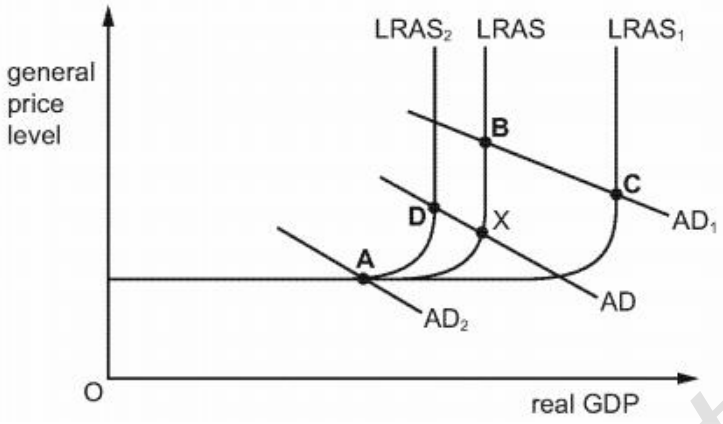
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316 – (9708/11_Summer_2023_Q21) – *The Macro Economy*

In the diagram, the intersection of AD and LRAS at point X represents the current macroeconomic equilibrium.

Which point could represent the new equilibrium after the introduction of an increase in the retirement age?



317 – (9708/11_Summer_2023_Q22) – *The Macro Economy*

The table shows data on the Japanese balance of trade in goods.

year	exchange rate yen / dollar	exports $bn	imports $bn
2016	109	635	585
2017	111	689	645

What can be concluded from this data?

A The demand for Japanese exports was price inelastic.

B The Japanese current account was in surplus.

C The majority of Japanese imports were essential goods.

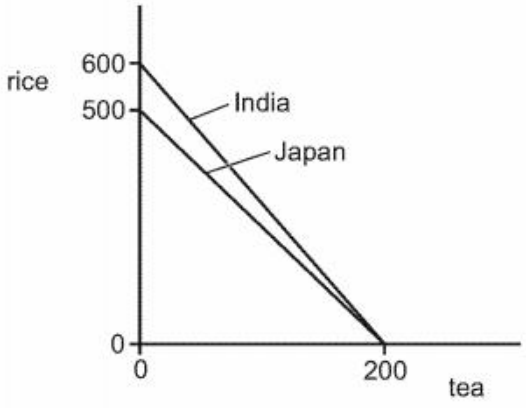
D The Marshall–Lerner condition for Japan is greater than 1.

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318 – (9708/11_Summer_2023_Q23) – *The Macro Economy*

The diagram shows production possibility curves for two countries, India and Japan.



Which combination of outputs would be achieved if each country specialised in the product in which it has a comparative advantage?

	rice	tea
A	600	200
B	600	500
C	1200	200
D	1200	1000

319 – (9708/11_Summer_2023_Q24) – *The Macro Economy*

A country's currency has depreciated against all the currencies of its main trading partners.

How will the depreciation affect its terms of trade?

A The terms of trade will improve.

B The terms of trade will not change.

C The terms of trade will worsen.

D The terms of trade will worsen only if the depreciation causes inflation.

320 – (9708/11_Summer_2023_Q25) – *The Macro Economy*

A country with a floating exchange rate experiences a large surplus on the current account of its balance of payments.

What is likely to decrease as a consequence?

A the exports of capital from the country

B the level of employment in the country

C the prices of imports into the country

D the value of the country's currency

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321 – (9708/11_Summer_2023_Q28) – *The Macro Economy*

What is the equivalent of a country's national debt?

A the accumulated borrowing of the government

B the difference between government spending and taxation

C the interest paid by the government on all the money it owes

D the total money owed by all households in the country

322 – (9708/11_Summer_2023_Q29) – *The Macro Economy*

A country experiences a fall in the value of exports and an increase in the value of imports of goods and services.

What are the effects of these changes?

	aggregate demand	balance of payments on goods and services
A	fall	improve
B	fall	worsen
C	rise	improve
D	rise	worsen

323 – (9708/12_Summer_2023_Q4) – *The Macro Economy*

What is **not** likely to result from the use of division of labour?

A a decrease in average costs

B an increase in motivation

C an increase in productivity

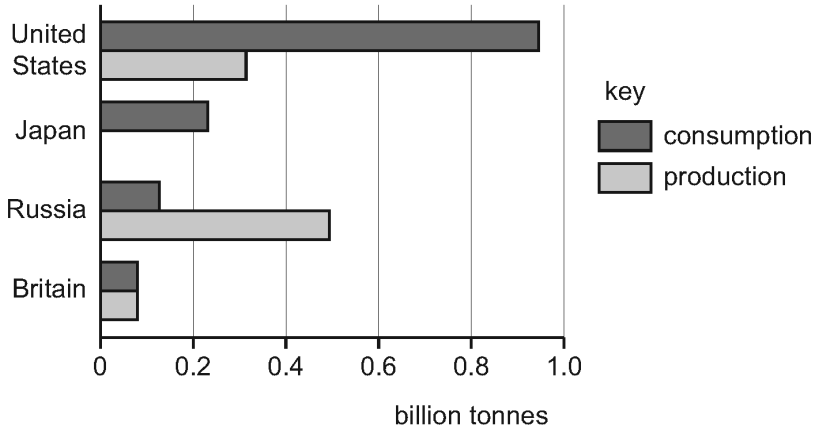
D an improvement in quality of the final product

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324 – (9708/12_Summer_2023_Q7) – *The Macro Economy*

There is a worldwide shortage of oil. The diagram shows the consumption and production of oil (billion tonnes) for selected countries.



What can be concluded from the diagram?

A In Britain, oil has zero opportunity cost.

B In Japan, there is self-sufficiency in oil.

C In Russia, there is no shortage of oil.

D In the United States, rationing is the only solution to oil shortage.

325 – (9708/12_Summer_2023_Q17) – *The Macro Economy*

The table contains some figures from the balance of payments account of the United States (US) for a given year.

	US$ million
exports of goods	1 632 639
balance of trade in goods	–741 462
imports of services	477 428
balance of trade in services	233 138

What **cannot** be concluded about US trade from the table?

A Exported services were valued at over US$477 428.

B Imported goods were valued at over US$1 632 639.

C The value of exported services was less than the value of exported goods.

D There was an overall current account deficit.

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326 – (9708/12_Summer_2023_Q18) – *The Macro Economy*

Which change is shown directly by the use of aggregate demand and aggregate supply analysis?

A the nominal income level

B the price level

C the unemployment level

D the wage level

327 – (9708/12_Summer_2023_Q19) – *The Macro Economy*

Why might aggregate demand increase when a country's price level falls?

A Domestic interest rates will tend to fall.

B Imports become more price competitive.

C Real incomes fall.

D The purchasing power of savings falls.

328 – (9708/12_Summer_2023_Q20) – *The Macro Economy*

What is used to convert nominal GDP to real GDP?

A exchange rates

B changes in the price level

C interest rates

D taxation

329 – (9708/12_Summer_2023_Q22) – *The Macro Economy*

The table shows the types of unemployment and their possible solutions.

Which combination is **not** correct?

	type of unemployment	possible solution
A	technological	introduce minimum wage legislation
B	cyclical	raise government spending
C	frictional	increase advertising of job vacancies
D	structural	retrain workers

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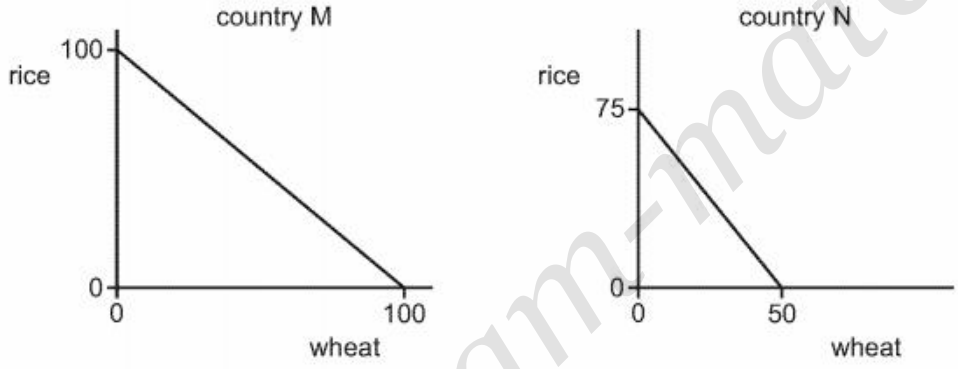
330 – (9708/12_Summer_2023_Q24) – *The Macro Economy*

If a country is experiencing a period of high inflation, which groups will benefit the most from this?

	companies that export the majority of their output	fixed income earners	those with high debts
A	yes	yes	no
B	no	yes	yes
C	yes	no	no
D	no	no	yes

331 – (9708/12_Summer_2023_Q26) – *The Macro Economy*

The world consists of two countries, M and N. The graphs show their production possibilities for wheat and rice.



Countries M and N operate on their production possibility curves and, before specialisation, country M produces 60 units of wheat and country N produces 30 units of wheat.

What will be the change in the world output of **rice** if both countries decide to specialise according to comparative advantage?

A It will fall by 5 units.

B It will fall by 30 units.

C It will rise by 5 units.

D It will rise by 30 units.

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332 – (9708/12_Summer_2023_Q30) – *The Macro Economy*

Economic growth leads to increased levels of income and consumption per capita for the adult population.

Which circumstances are needed for this to happen in an economy?

A a change in technology that maintains the same level of output

B an increase in economic efficiency through higher productivity of factor inputs

C a policy of progressive taxation to reduce inequalities

D a rise in the size of the working population due to immigration

333 – (9708/13_Summer_2023_Q4) – *The Macro Economy*

Which economic conditions are likely to encourage an increase in enterprise?

	interest rates	profit tax	consumer confidence	unemployment
A	high	high	high	high
B	high	low	low	high
C	low	low	high	low
D	low	low	low	low

334 – (9708/13_Summer_2023_Q17) – *The Macro Economy*

A Bangladeshi citizen is employed as a construction worker in Qatar. He sends some of his wages to his family in Bangladesh.

How will this be recorded on Qatar's balance of payments?

A as part of the balance of trade in services

B as part of net primary income

C as part of net secondary income

D as part of the financial account

335 – (9708/13_Summer_2023_Q18) – *The Macro Economy*

The table gives data for an economy.

	2010	2011	2012	2013	2014
Gross Domestic Product (GDP) at current prices ($ billion)	200	220	240	300	320
GDP deflator (price index)	100	109	125	149	154

In which year did real GDP decline compared with the previous year?

A 2011 **B** 2012 **C** 2013 **D** 2014

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336 – (9708/13_Summer_2023_Q21) – *The Macro Economy*

The table gives details of national income statistics for an economy.

	US$bn
consumption	2000
investment	500
government expenditure	600
net exports	–100
net foreign factor income	–200
depreciation	100

What is the net national income for this economy?

A US$2700bn **B** US$2800bn **C** US$2900bn **D** US$3000bn

337 – (9708/13_Summer_2023_Q22) – *The Macro Economy*

The table shows the relative price of exports compared with imports expressed as an index number for an economy (2013 = 100).

date	index
2013	100
2014	97
2015	95

Which statement about the period 2013–2015 is correct?

A Export prices have increased each year.

B The general level of prices has fallen.

C The terms of trade have deteriorated.

D The volume of imports increasingly exceeds the volume of exports.

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338 – (9708/13_Summer_2023_Q23) – *The Macro Economy*

Country X and country Y each allocate half of their resources towards the manufacturing of shoes, and the other half towards the manufacturing of t-shirts. Resources can be used equally effectively in the production of both products in both countries.

The table shows the output of shoes and t-shirts produced by both countries using half their resources in each case, before specialisation.

country	shoes	t-shirts
X	4000	12000
Y	2000	8000
total	6000	20000

What can be concluded from the data?

A The opportunity cost of country Y producing two shoes is four t-shirts.

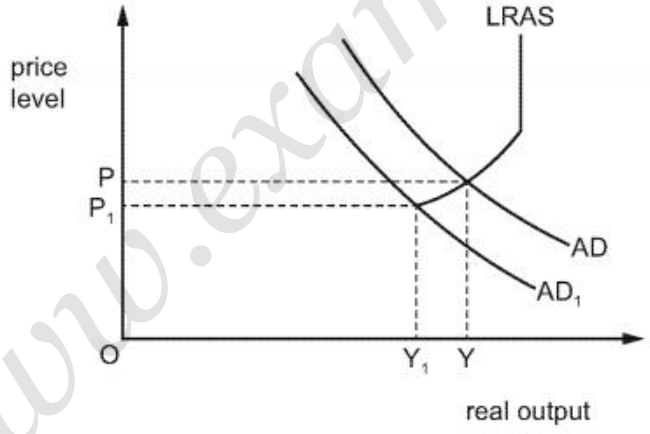
B The opportunity cost of country X producing one t-shirt is four shoes.

C The total output of shoes and t-shirts after specialisation would be 24000.

D The total output of shoes and t-shirts after specialisation would be 28000.

339 – (9708/13_Summer_2023_Q26) – *The Macro Economy*

The diagram shows the macroeconomic equilibrium output and price level changing from Y and P to Y_1 and P_1.



What could have caused this change?

A a decrease in exports

B a decrease in labour productivity

C an increase in the government's spending

D an increase in the money supply

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340 – (9708/11_Winter_2023_Q17) – *The Macro Economy*

What is **not** included in the measurement of national income?

A benefits paid to the unemployed

B dividends paid to shareholders

C profits retained by companies

D rent paid to landlords

341 – (9708/11_Winter_2023_Q18) – *The Macro Economy*

Four students have to fill in the gaps in the sentence shown.

'A person is defined as unemployed if they are .....1..... to work at .....2..... wage rate, but cannot find a job despite an active search for work.'

Which student fills gaps 1 and 2 correctly?

	1	2
A	able	below the current
B	able	the current
C	able, available and willing	above the current
D	able, available and willing	the current

342 – (9708/11_Winter_2023_Q19) – *The Macro Economy*

Which statement best describes the consumer prices index (CPI)?

A It is a measure of changes in the spending patterns of the average household.

B It is a measure of changes in the standard of living of the average household.

C It is a measure of the average change in prices of a basket of goods and services over time.

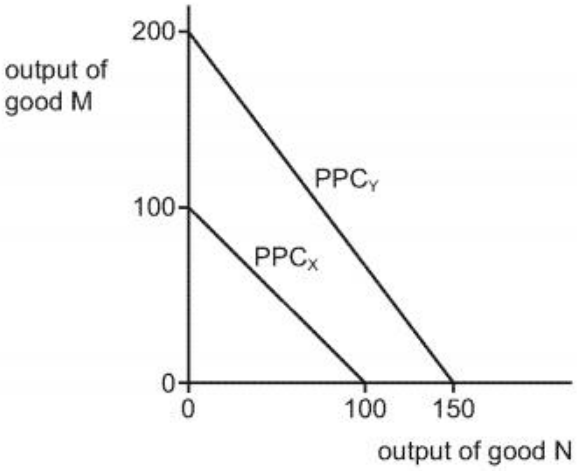
D It is a measure of the level of prices of all goods and services.

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343 – (9708/11_Winter_2023_Q20) – *The Macro Economy*

The diagram shows the production possibility curves (PPCs) for country X and country Y, the only two countries in the world. Both countries produce just two goods, M and N.



Under which terms of trade will **both** country X and country Y benefit from trading with each other?

A 1M for 0.75N

B 1M for 0.8N

C 1M for 1N

D 1M for 2N

344 – (9708/11_Winter_2023_Q23) – *The Macro Economy*

Under which conditions will nominal GDP and real GDP increase at the same rate in an economy?

	rate of change of national output (% per annum)	rate of change of general price level (% per annum)
A	0	–2
B	0	+2
C	+2	0
D	+2	+2

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345 – (9708/11_Winter_2023_Q24) – *The Macro Economy*

General equilibrium in the macroeconomy is achieved when total injections are equal to total leakages.

What is most likely to cause disequilibrium in the macroeconomy in the short run?

A an increase in government spending of $10bn and a decrease in exports of $10bn

B an increase in investment of $30bn and a decrease in household savings of $30bn

C an increase in spending on imports of $40bn and an increase in government spending of $40bn

D an increase in taxation of $40bn and a decrease in spending on imports of $40bn

346 – (9708/11_Winter_2023_Q25) – *The Macro Economy*

What would be the most likely reason for a decrease in frictional unemployment?

A more capital-intensive manufacturing

B more demand for public sector workers

C more government spending on education

D more information on labour market vacancies

347 – (9708/11_Winter_2023_Q26) – *The Macro Economy*

A Kenyan banker who lives and works in India sends 15% of their wage back to Kenya every month.

What would be the change in the current account components for either country?

A a fall in secondary income for India

B an increase in the balance of trade in services for Kenya

C an increase in the current account surplus for India

D an increase in primary income for Kenya

348 – (9708/11_Winter_2023_Q27) – *The Macro Economy*

Over a period of a year, the annual rate of inflation becomes negative.

Which statement must be correct?

A The cost of living has fallen.

B The purchasing power of money has fallen.

C The standard of living has increased.

D There has been an increase in the Consumer Price Index.

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349 – (9708/11_Winter_2023_Q30) – *The Macro Economy*

An economy is experiencing accelerating cost-push inflation.

Which group is likely to be **least** concerned by this?

A borrowers

B consumers

C creditors

D exporters

350 – (9708/12_Winter_2023_Q18) – *The Macro Economy*

What must be the result for a country of a rise in its export prices relative to its import prices?

A a deficit in its trade in goods

B an improvement in its terms of trade

C an increase in its inflation rate

D a rise in its exchange rate

351 – (9708/12_Winter_2023_Q20) – *The Macro Economy*

For a given year, economy X publishes the following.

	$bn
Gross Domestic Product (GDP)	100
factor income earned by residents of economy X working in foreign countries	10
factor income earned in economy X by non-residents	25

What is the size of the Gross National Income (GNI) for country X?

A $75bn **B** $85bn **C** $110bn **D** $115bn

352 – (9708/12_Winter_2023_Q21) – *The Macro Economy*

Which combination is possible for an economy experiencing zero inflation?

	average nominal wages	average real wages
A	falling	falling
B	falling	rising
C	rising	falling
D	unchanging	rising

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353 – (9708/12_Winter_2023_Q26) – *The Macro Economy*

Which supply-side measure is most likely to produce short-run growth in a country's aggregate supply?

A easing of controls on immigration of workers

B expenditure on primary education

C expenditure on research and development

D privatisation of public utilities

354 – (9708/12_Winter_2023_Q27) – *The Macro Economy*

Which tax may a government use to reduce inequality?

A progressive income tax

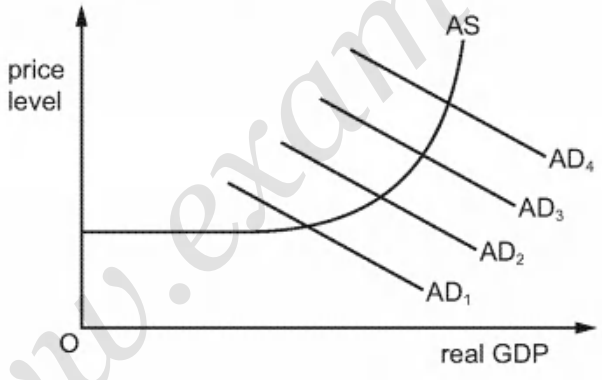
B proportionate income tax

C proportionate indirect tax

D specific indirect tax

355 – (9708/12_Winter_2023_Q29) – *The Macro Economy*

A government wants to reduce inflation. It has decided to cut government spending by $1bn. The diagram shows different starting positions for the country's aggregate demand (AD) curve.



Which starting position for the aggregate demand curve would make this policy **least** effective?

A AD_1 **B** AD_2 **C** AD_3 **D** AD_4

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356 – (9708/12_Winter_2023_Q30) – *The Macro Economy*

A government reduces the rate of tax firms are charged on their land and buildings.

How is this likely to affect the economy's price level and real output?

	price level	real output
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

357 – (9708/13_Winter_2023_Q17) – *The Macro Economy*

Which changes will increase the circular flow of income?

	higher imports	higher investment	higher taxation
A	yes	no	no
B	yes	yes	no
C	no	yes	yes
D	no	yes	no

358 – (9708/13_Winter_2023_Q18) – *The Macro Economy*

An economy in equilibrium has a trade deficit of $20bn and a budget surplus of $20bn. Investment spending is $50bn.

What is the total saving?

A $5bn **B** $10bn **C** $15bn **D** $20bn

359 – (9708/13_Winter_2023_Q19) – *The Macro Economy*

A finance company incurs heavy losses and makes an accountant redundant.

The accountant seeks a new job through an employment agency which specialises in jobs in accounting.

What describes the type of unemployment of the accountant who is seeking a new job?

A frictional

B seasonal

C structural

D technological

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360 – (9708/13_Winter_2023_Q20) – *The Macro Economy*

An aggregate demand curve slopes downwards from left to right.

One reason for this is that a reduction in the average price level will lead to

A a decline in the country's international competitiveness.

B an increase in interest rates.

C an increase in the real value of money balances.

D the expectation of further price falls.

361 – (9708/13_Winter_2023_Q22) – *The Macro Economy*

What is **not** included in the measurement of national income?

A dividends paid to shareholders

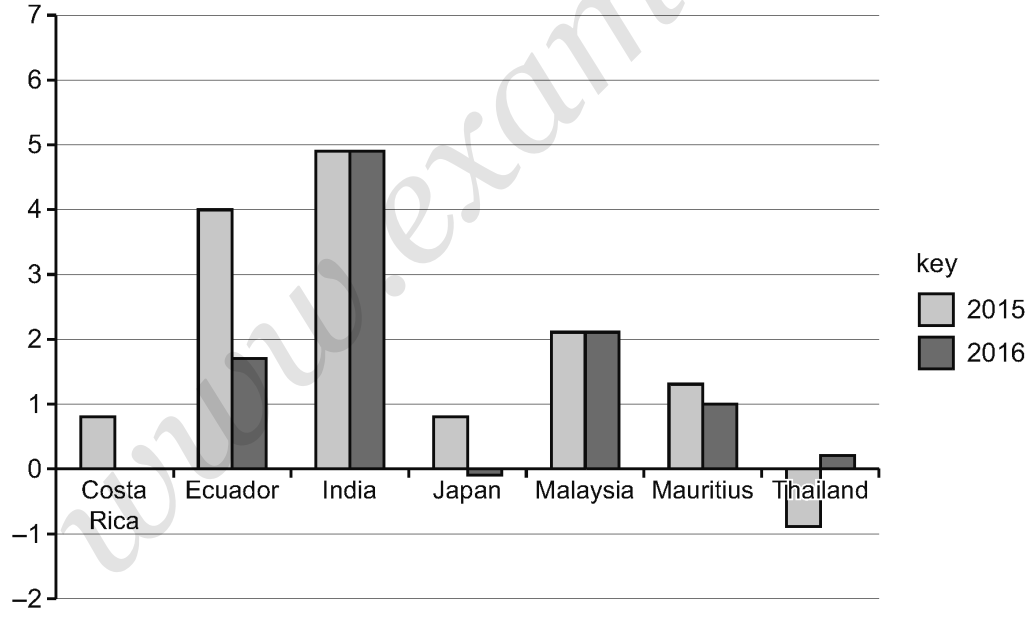
B overtime payments

C rents from government-owned houses

D welfare benefit payments

362 – (9708/13_Winter_2023_Q23) – *The Macro Economy*

The graph shows the rate of inflation for seven countries for 2015 and 2016.



What can be concluded from this graph?

A Prices in Costa Rica rose in 2015 but remained constant in 2016.

B Prices in Ecuador and Mauritius were lower in 2016 than in 2015.

C Prices in India and Malaysia remained constant in 2016 and 2015.

D Prices in Thailand and Japan were lower in 2016 than in 2015.

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1 - (9708/11_Summer_2017_Q21) - *Government Macro Intervention*

A government succeeds in changing a current account deficit into a current account surplus.

Why might this current account surplus increase the country's inflation rate?

A It raises aggregate demand.

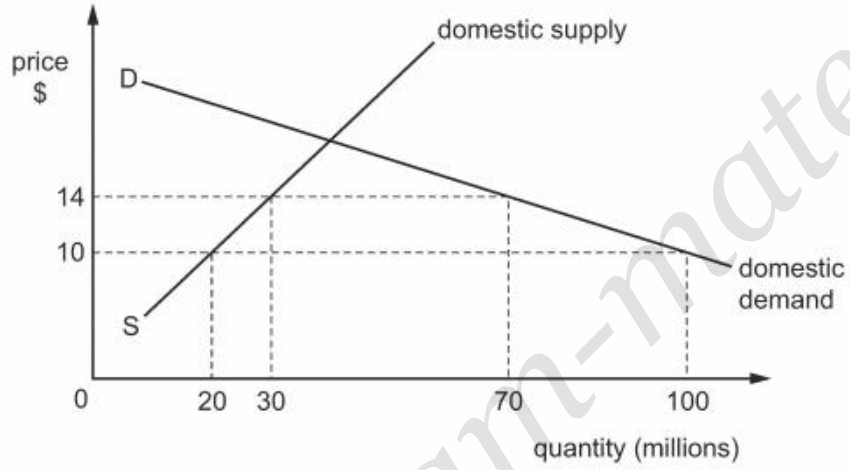
B It raises production costs.

C It reduces the exchange rate.

D It reduces the money supply.

2 - (9708/13_Summer_2017_Q26) - *Government Macro Intervention*

The diagram shows that the imposition of a tariff raises a good's world price from $10 to $14.



What was the effect on total expenditure on the good?

A It fell by $20 million

B It fell by $160 million

C It rose by $220 million

D It rose by $560 million

3 - (9708/12_Summer_2017_Q27) - *Government Macro Intervention*

Which government policy could be considered as a protectionist policy?

A an imposition of controls on capital outflows from the economy

B foreign exchange intervention to prevent a devaluation of the country's currency

C pollution charges imposed on domestic producers

D subsidies paid to domestic producers of a tradeable good

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4 – (9708/13_Summer_2017_Q27) – *Government Macro Intervention*

Which government measure would reduce protectionism?

A an increase in product safety standards

B an increase in subsidies to domestic firms

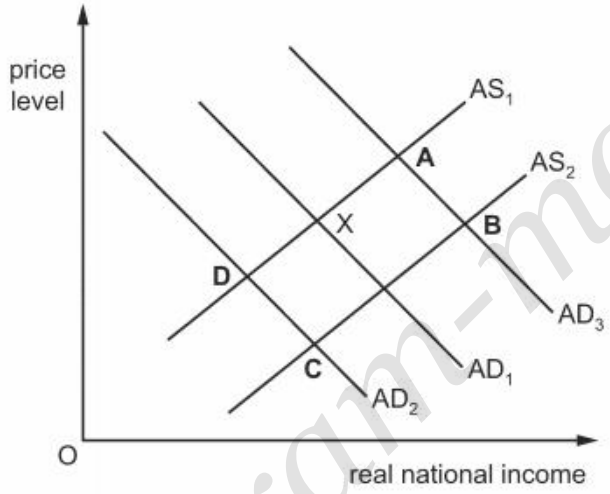
C an increase in the level of import quotas

D an increase in the rate of import duties

5 – (9708/12_Summer_2017_Q28) – *Government Macro Intervention*

The government of a country plans to raise income tax rates. The initial equilibrium for the country is represented by point X on the diagram.

Which new equilibrium point would an economist predict as the result?



6 – (9708/11_Summer_2017_Q29) – *Government Macro Intervention*

A country with a fixed exchange rate has a current account surplus on its balance of payments.

What is most likely to reduce this surplus?

A higher interest rates

B higher investment spending

C higher tariffs

D higher taxes

7 – (9708/12_Summer_2017_Q29) – *Government Macro Intervention*

What is an example of an expenditure-dampening policy?

A an increase in income tax rates

B an increase in the level of import tariffs

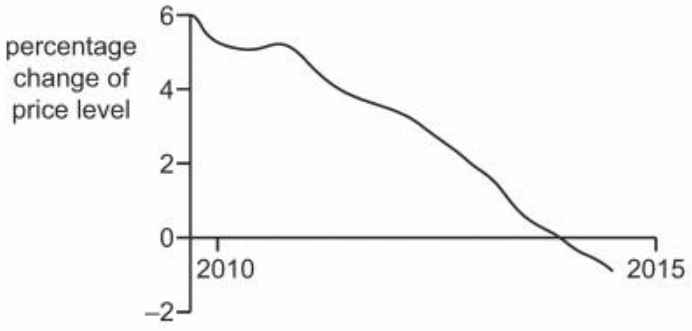
C an upward revaluation of the exchange rate

D the introduction of import quotas

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8 – (9708/11_Summer_2017_Q30) – *Government Macro Intervention*

In recent years an economy has experienced changes in its price level as shown.



Which government policy is most effective in reversing the trend shown in the price level?

A encourage firms to expand production through tax incentives

B introduce an incomes policy to directly control wage increases

C promote household savings by issuing savings bonds

D reduce interest rates and increase money supply

9 – (9708/12_Summer_2017_Q30) – *Government Macro Intervention*

An economy is currently operating close to its full employment level of national income.

Which combination of macro-economic policies would be most likely to have net deflationary effects?

A a 10% cut in the standard rate of income tax and a 5% devaluation of the currency

B a 10% cut in the standard rate of income tax and a 5% revaluation of the currency

C a 10% rise in the standard rate of income tax and a 5% devaluation of the currency

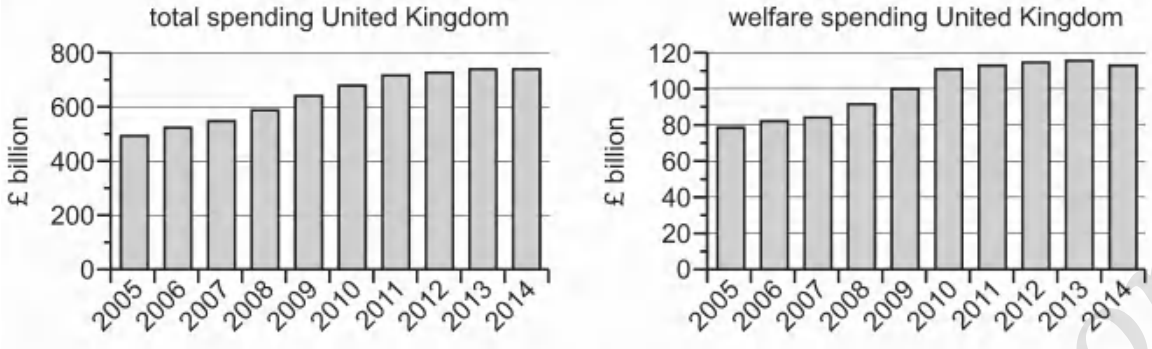
D a 10% rise in the standard rate of income tax and a 5% revaluation of the currency

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10 – (9708/12_Winter_2017_Q17) – *Government Macro Intervention*

The diagrams show UK Government total spending and welfare spending in £ billions between 2005 and 2014.



What can be concluded from the diagrams about UK Government spending during the period 2005 to 2014?

A Both forms of spending were cut in 2014.

B Both total and welfare spending have risen continuously.

C In 2005 welfare spending made up a quarter of total spending.

D Non-welfare spending has always exceeded welfare spending.

11 – (9708/11_Winter_2017_Q24) – *Government Macro Intervention*

An economy's terms of trade rose from the base year of 100 to 110.

Which changes in the export price index and the import price index would have caused this?

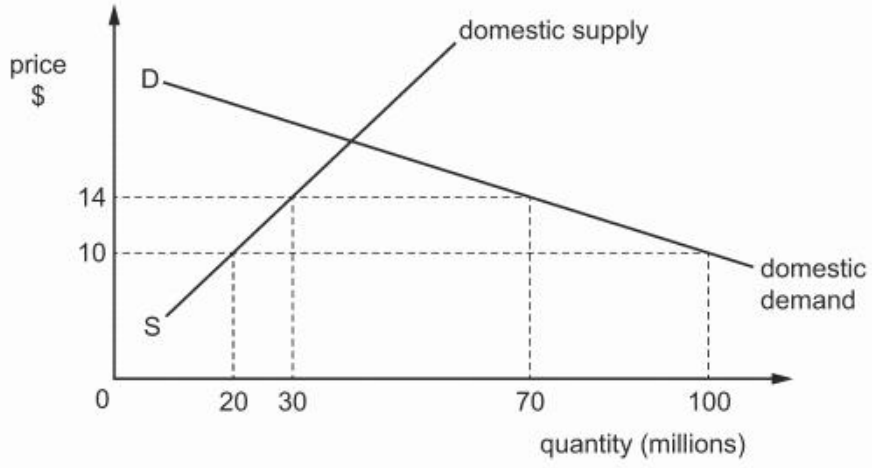
	export price index change	import price index change
A	0	–10
B	0	+10
C	+10	0
D	+20	+10

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12 – (9708/13_Winter_2017_Q26) – *The Macro Economy, Government Macro Intervention*

The diagram shows that the imposition of a tariff raises a product's world price from $10 to $14.



What was the change in domestic producers' income as a result of the tariff?

A It rose by $120 million.

B It rose by $160 million.

C It rose by $220 million.

D It rose by $280 million.

13 – (9708/12_Winter_2017_Q27) – *Government Macro Intervention*

In 2014, Poland was the world's largest exporter of apples. 55% of the crop went to Russia. Then Russia banned the imports.

What would **not** have prevented the revenue of the Polish apple farmers falling dramatically?

A The apple farmers found new markets in other countries.

B The apple farmers were able to store the harvest for sale later.

C The Polish Government placed a ban on imports of food from Russia.

D The Polish Government established a scheme to buy apples and supply them to charities.

14 – (9708/12_Winter_2017_Q28) – *Government Macro Intervention*

Monetary policy can be used to increase the level of business activity.

Which action illustrates this?

A curbing consumption through controls on credit

B lowering reserve requirements of banks to increase lending

C reducing government spending to achieve a budget surplus

D stimulating company investments by increasing interest rates

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15 – (9708/13_Winter_2017_Q28) – *Government Macro Intervention*

All other things being equal, what will be the likely effects on the US budget deficit and the supply of US government bonds if the US government increases its expenditure?

	US budget deficit	supply of US government bonds
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

16 – (9708/11_Winter_2017_Q29) – *Government Macro Intervention*

If an economy has a floating exchange rate, which policy could have an expansionary effect on national income with the smallest reduction of a current account surplus on the balance of payments?

A a reduction in income tax rates

B a reduction in interest rates

C government subsidies to individuals wanting loans for house purchases

D increased government spending on transport infrastructure

17 – (9708/12_Winter_2017_Q29) – *Government Macro Intervention*

When will a country's balance of payments current account deficit be reduced?

A when it lowers tariffs on its imports

B when it raises its rate of income tax

C when it removes export subsidies

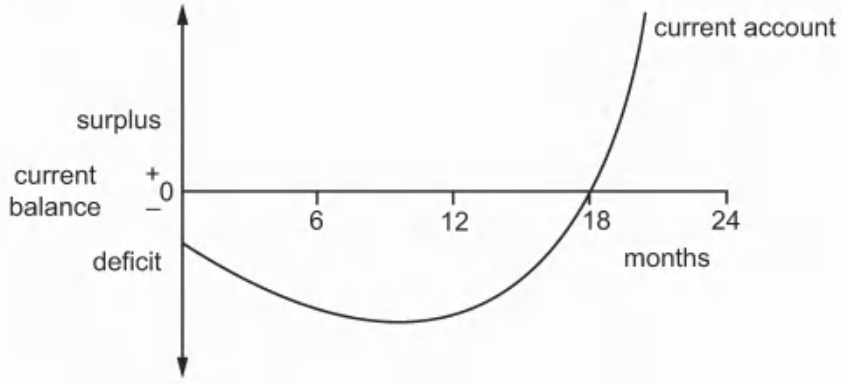
D when it revalues its currency

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18 – (9708/13_Winter_2017_Q29) – *The Macro Economy, Government Macro Intervention*

A country at the beginning of a given period seeks to improve the current account of its balance of payments by devaluing its currency. The effect of this policy in the following two years is shown in the diagram.



Which statement is likely to explain this performance?

A In the short run, the price elasticity of demand for exports and imports was very low.

B The domestic inflation rate fell after 12 months before having the desired result.

C The elasticity of demand for imports diminished after 12 months.

D The policy was ineffective and other factors must have led to an improvement in the current account.

19 – (9708/11_Winter_2017_Q30) – *Government Macro Intervention*

Which combination of fiscal and monetary policies is most likely to be effective in the short run for tackling deflation in a closed economy?

	fiscal policy	monetary policy
A	increasing the budget deficit	reducing the interest rate
B	increasing the budget deficit	reducing the money supply
C	reducing the budget deficit	reducing the interest rate
D	reducing the budget deficit	reducing the money supply

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20 – (9708/13_Winter_2017_Q30) – *Government Macro Intervention*

Suppose a country has a rate of inflation well below its target rate, high unemployment and a large balance of payments deficit.

What would an economic advisor to the government be most likely to recommend?

A a long-run supply side policy, aimed at improving the country's efficiency, so improving both the unemployment and the balance of payments positions

B a revaluation of its currency, because that would lead to reduced unemployment and an improved balance of payments

C a rise in interest rates, because it would lead to an improved balance of payments and help achieve the inflation target

D a rise in levels of direct taxation, because that would improve unemployment and move inflation in the direction of a target level

21 – (9708/13_Summer_2018_Q22) – *The Macro Economy, Government Macro Intervention*

In June 2016 the UK voted to leave the European Union. The table shows what happened to the value of the pound sterling before and after the vote.

June	Sept
£1 = $1.48	£1 = $1.32

The UK is a major trading nation.

What is likely to be the short-term impact of the changes in the value of the pound sterling on the UK economy?

A increased disinflation

B increase in cost-push inflation

C more purchasing power of money

D reduced demand-pull inflation

22 – (9708/11_Summer_2018_Q23) – *The Macro Economy, Government Macro Intervention*

A newspaper headline stated that the Australian car industry has been affected by the strength of the Australian dollar.

What would **not** be an effect caused by a strong rising Australian dollar?

A Reduced foreign demand for Australian cars caused increased unemployment.

B The price of exports of Australian cars became more expensive.

C The price of foreign competitive cars became less expensive.

D The price of imports of car parts became more expensive.

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23 – (9708/11_Summer_2018_Q24) – *Government Macro Intervention*

The terms of trade for a country have improved.

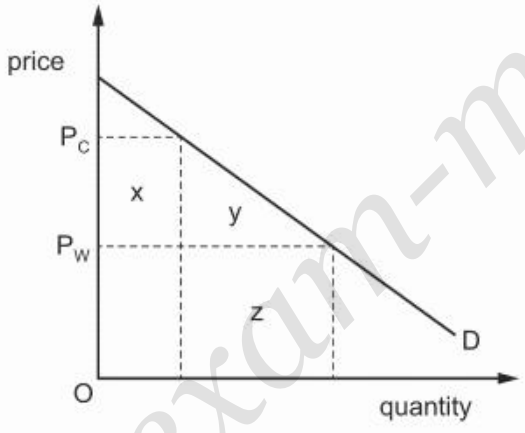
Which combination of price behaviour would have caused this?

	average price of exports	average price of imports
A	decrease 4%	decrease 6%
B	decrease 4%	unchanged
C	increase 4%	increase 6%
D	unchanged	increase 2%

24 – (9708/11_Summer_2018_Q26) – *Government Macro Intervention*

In the diagram, D is a country's demand curve for an imported good.

The country's government imposes an import tariff equal to P_WP_C on the good.



Which areas measure the resulting loss in consumer surplus and the resulting gain in government revenue?

	loss in consumer surplus	gain in government revenue
A	x + y	x
B	x + y	z
C	y	x
D	y	z

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25 – (9708/13_Summer_2018_Q26) – *The Macro Economy, Government Macro Intervention*

What would reduce an economy's protection against the import of cars?

A a higher quota of imported cars

B a higher subsidy for domestic car producers

C a higher tariff on imported cars

D a lower exchange rate

26 – (9708/11_Summer_2018_Q27) – *Government Macro Intervention*

The demand for a country's exports is price-elastic.

What will be the effect of introducing export subsidies on its balance of trade and on its terms of trade?

	balance of trade	terms of trade
A	improve	improve
B	improve	worsen
C	worsen	improve
D	worsen	worsen

27 – (9708/11_Summer_2018_Q28) – *Government Macro Intervention*

A government decides to borrow from the general public in order to finance its extra spending on apprenticeship training schemes.

Which types of macroeconomic policy are being used?

	fiscal	monetary	supply side
A	✓	✗	✓
B	✓	✗	✗
C	✗	✓	✓
D	✗	✓	✗

key

✓ = used

✗ = not used

28 – (9708/12_Summer_2018_Q28) – *Government Macro Intervention*

What is an example of expansionary monetary policy?

A the central bank buying government bonds in the money market

B the central bank causing an appreciation of the country's foreign exchange rate

C the central bank increasing controls on credit lending

D the central bank increasing the minimum lending rate of interest

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29 – (9708/13_Summer_2018_Q28) – *Government Macro Intervention*

A government increases the basic rate of income tax to finance additional spending on apprenticeships and training.

Which types of macroeconomic policy are being used?

	fiscal policy	monetary policy	supply side policy
A	✓	✓	✓
B	✓	✓	✗
C	✓	✗	✓
D	✗	✓	✓

key
✓ = used
✗ = not used

30 – (9708/11_Summer_2018_Q29) – *Government Macro Intervention*

Which policy is **not** likely to help reduce a balance of payments deficit?

A an increase in expenditure promoting locally produced goods

B an increase in the quota on cheap imports

C an increase in the restrictions on foreign exchange

D an increase in the subsidies to exporting industries

31 – (9708/12_Summer_2018_Q29) – *Government Macro Intervention*

China had a US$155 billion current account surplus in 2012.

Which combination of policies might the Chinese Government use to reduce the surplus?

A decrease income tax and raise the value of the Chinese currency, the Yuan

B increase income tax and lower the value of the Chinese currency, the Yuan

C increase subsidies to Chinese firms and reduce income tax

D increase tariffs on imports and increase income tax

32 – (9708/13_Summer_2018_Q29) – *Government Macro Intervention*

If an economy experiences a persistent balance of trade deficit, it may choose to place tariffs on imports of manufactured goods.

When might the use of tariffs solve a balance of trade deficit in the long term?

A when an economy imports a sustainable amount of raw materials

B when an economy is experiencing a high rate of inflation

C when the demand for imports is inelastic

D when the supply of domestically produced goods is elastic

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33 – (9708/11_Summer_2018_Q30) – *Government Macro Intervention*

A country has a target rate of inflation of 2.5% and has recently experienced the actual rate rising to 6%, with unemployment falling to very low levels.

Which policy option is most likely to be implemented?

A an increase in government expenditure on training

B an increase in indirect taxes on demerit goods

C an increase in import tariffs

D an increase in interest rates

34 – (9708/12_Summer_2018_Q30) – *Government Macro Intervention*

In an economy, prices are rising. The government wishes to limit further increases in prices.

Which policies would it be likely to use?

A decrease goods and services (sales) tax and put a quota on cheap imports

B decrease income tax and decrease interest rates

C increase interest rates and decrease government spending

D withdraw industry subsidies and impose a minimum wage

35 – (9708/13_Summer_2018_Q30) – *Government Macro Intervention*

Bulgaria's Consumer Price Index changed at an annual rate of –2.2% in April 2016. In May the annual rate of change was –1.4%.

What fiscal policy and monetary policy would be most appropriate in the short run to restore price stability?

	fiscal policy	monetary policy
A	decrease government spending	decrease interest rates
B	decrease taxes	increase rate of interest
C	increase government spending	decrease interest rates
D	increase taxes	increase rate of interest

36 – (9708/12_Winter_2018_Q22) – *The Macro Economy, Government Macro Intervention*

Which item is **not** included in the current account of a country's balance of payments?

A exports of services

B interest on foreign loans

C profits from foreign investments

D the purchase of foreign assets

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37 – (9708/11_Winter_2018_Q23) – *The Macro Economy, Government Macro Intervention*

What is likely to explain an increase in the deficit on a country's current account of the balance of payments?

A an increase in government foreign aid to countries abroad

B an increase in government tax rates

C an increase in other countries' exchange rates

D an increase in the proportion of income saved by the country's residents

38 – (9708/12_Winter_2018_Q23) – *Government Macro Intervention*

A government wishes to raise the value of the external exchange rate of its currency.

What should it do?

A discourage inward foreign direct investment

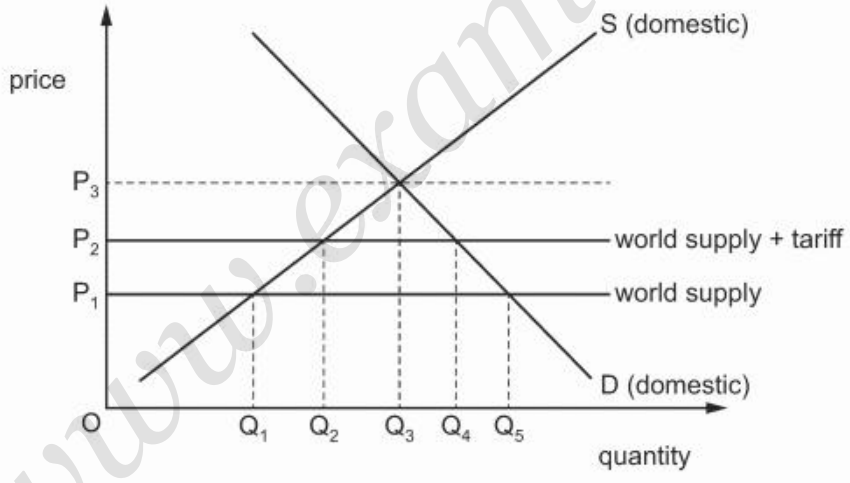
B raise interest rates

C raise the level of aggregate demand in the economy

D remove quotas on imported products

39 – (9708/12_Winter_2018_Q27) – *The Macro Economy, Government Macro Intervention*

The diagram shows the domestic and world demand and supply for a good.



The government imposes a tariff on imports of the good.

What will happen to the quantity imported?

A It will fall from Q_1Q_3 to Q_2Q_3.

B It will fall from Q_1Q_5 to Q_2Q_4.

C It will fall from Q_2Q_5 to Q_3Q_4.

D It will fall from OQ_5 to OQ_4.

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40 – (9708/11_Winter_2018_Q28) – *Government Macro Intervention*

In 2012, the Indian Government stated that it aimed to reduce its budget deficit to 5.1% of GDP.

Which policy is most likely to help this aim?

A a decrease in import tariffs

B a decrease in the rate of interest

C an increase in the sale of state-owned assets

D an increase in government pension payments

41 – (9708/13_Winter_2018_Q28) – *Government Macro Intervention*

Which government policy is most likely to focus on an increase in the quantity of skilled labour?

A exchange rate policy

B fiscal policy

C monetary policy

D supply-side policy

42 – (9708/11_Winter_2018_Q29) – *Government Macro Intervention*

Which policy is most likely to help to correct an adverse balance on the current account of the balance of payments?

A abolishing tariffs

B devaluing the currency

C reducing direct taxes

D reducing indirect taxes

43 – (9708/13_Winter_2018_Q29) – *Government Macro Intervention*

A country has a long-running current account deficit on the balance of payments.

Its government was using an expenditure-switching policy but decides to change to an expenditure-reducing policy.

What could have been the old policy and its new policy?

	old policy	new policy
A	export subsidies	quotas
B	income tax	interest rate
C	quotas	exchange rate control
D	tariffs	income tax

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44 – (9708/11_Winter_2018_Q30) – *Government Macro Intervention*

A government reduced the tax on company profits from 28% to 20%.

Which statement best describes this policy?

A It is both a contractionary fiscal policy and a supply-side policy.

B It is both an expansionary fiscal policy and a supply-side policy.

C It is both an expansionary fiscal policy and an expansionary monetary policy.

D It is both an expansionary monetary policy and a supply-side policy.

45 – (9708/12_Winter_2018_Q30) – *Government Macro Intervention*

Which policy mix is most likely to be effective in the short run for reducing inflation in a closed economy?

	fiscal policy	monetary policy
A	decreasing the budget surplus	increasing the interest rate
B	decreasing the budget surplus	increasing the money supply
C	increasing the budget surplus	increasing the interest rate
D	increasing the budget surplus	increasing the money supply

46 – (9708/13_Winter_2018_Q30) – *Government Macro Intervention*

The government increases interest rates in order to reduce the rate of inflation.

What will also result from this action?

A a depreciation of the country's currency

B a fall in the level of savings

C a reduction in economic growth

D a reduction in unemployment

47 – (9708/11_Summer_2019_Q14) – *Government Macro Intervention*

To improve its financial position a government decided to reduce expenditure on investment in the public sector. Despite this, there was **not** a fall in economic growth.

What was the **most** likely effect of the government's action?

A An original budget deficit was reduced.

B An original budget surplus was reduced.

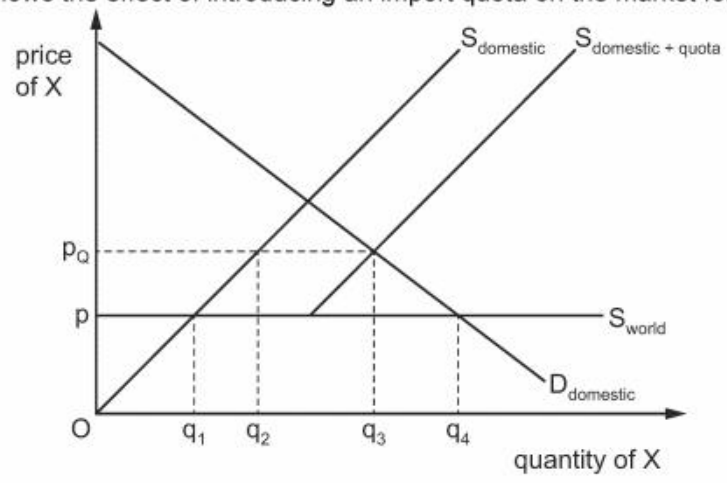
C Consumer expenditure decreased.

D Public sector productivity decreased.

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48 – (9708/13_Summer_2019_Q23) – *The Macro Economy, Government Macro Intervention*

The diagram shows the effect of introducing an import quota on the market for good X.



What is the change in domestic supply and the size of the import quota?

	change in domestic supply	size of import quota
A	q_1q_2	q_2q_3
B	q_1q_3	q_1q_4
C	q_1q_4	q_1q_2
D	q_2q_3	q_3q_4

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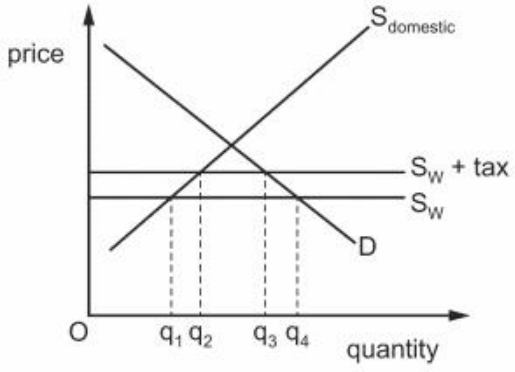
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49 – (9708/12_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention*

The diagram shows the imposition of an import tariff.

S_W is world supply.

S_W + tax is world supply after the tariff is imposed.



Which statement is **not** correct?

A Domestic demand will fall from q_4 to q_3.

B Imports will change from q_1q_4 to q_2q_3.

C Imports will fall from q_4 to q_3.

D Supply of domestic goods will increase from q_1 to q_2.

50 – (9708/13_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention, The Price System And The Micro Economy*

Country X joins a customs union with country Y and will remove the tariff on its imports of good M from country Y.

Under which conditions will trade creation in country X be the smallest?

	existing size of country X's tariff on imports of good M	price elasticity of demand for good M in country X
A	large	–0.8
B	large	–1.4
C	small	–0.8
D	small	–1.4

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51 – (9708/11_Summer_2019_Q27) – *The Macro Economy, Government Macro Intervention*

What does the Marshall-Lerner condition state must be present for a depreciation of a currency to cause an improvement in the current account balance?

A The price elasticity of demand for exports and the price elasticity of demand for imports are both greater than one.

B The price elasticity of demand for exports and the price elasticity of demand for imports are both less than one.

C The sum of the price elasticity of demand for exports and the price elasticity of demand for imports is greater than one.

D The sum of the price elasticity of demand for exports and the price elasticity of demand for imports is less than one.

52 – (9708/13_Summer_2019_Q28) – *The Macro Economy, Government Macro Intervention*

A country's balance of payments current account is in deficit.

How can this be restored to equilibrium, assuming the Marshall-Lerner condition holds?

A increase the exchange rate

B reduce income tax

C reduce primary income

D subsidise domestic producers

53 – (9708/13_Summer_2019_Q29) – *Government Macro Intervention*

Monetary policy does not usually work immediately.

Which time lag is likely to be the **least** concern to a government whose priority is a rapid domestic impact?

A the time it takes for policymakers to recognise the cause of a problem

B the time it takes for the economy to respond to the introduction of the policy

C the time it takes for the foreign exchange rate to respond to the effect of the policy

D the time it takes to put the chosen policy measure into place

54 – (9708/11_Summer_2019_Q30) – *The Macro Economy, Government Macro Intervention*

A country with low unemployment and a managed floating exchange rate has a persistent current account deficit on its balance of payments.

Which policy to reduce this deficit is **most** likely to keep unemployment low, but cause inflation?

A depreciating its currency

B higher direct taxation

C higher import tariffs

D higher interest rates

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55 – (9708/13_Summer_2019_Q30) – *Government Macro Intervention*

What is the best example of an expansionary supply-side policy?

A the Argentinian central bank's decision to cut the interest rate in 2018

B the US president's plan to cut income tax rates in 2017

C the UK government's plan to build 500 new schools by 2020

D the Chinese government's decision to devalue their currency by almost 7% in 2016

56 – (9708/12_Winter_2019_Q27) – *Government Macro Intervention*

Which aim would be consistent with a government's decision to buy its own currency in foreign exchange markets?

A an appreciation under a freely floating exchange rate system

B an appreciation under a managed float exchange rate system

C a depreciation under a fixed exchange rate system

D a devaluation under a managed float exchange rate system

57 – (9708/12_Winter_2019_Q28) – *The Macro Economy, Government Macro Intervention*

Which policy would assist in reducing a deficit within the balance of payments?

A increasing interest rates

B increasing the money supply

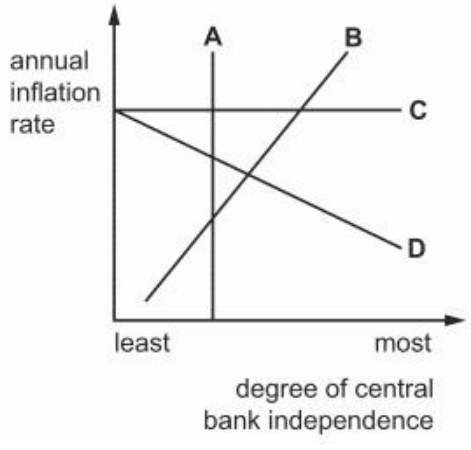
C reducing subsidies to exporting industries

D reducing the level of direct taxation

58 – (9708/11_Winter_2019_Q29) – *The Macro Economy, Government Macro Intervention*

The diagram shows the possible relationships between the degree of independence of the central bank and the level of inflation.

Which relationship suggests that central bank independence is an effective way to reduce inflation?



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59 – (9708/11_Winter_2019_Q30) – *The Macro Economy, Government Macro Intervention*

Which change in economic circumstances is **most** likely to lead to a reduction in the rate of domestic inflation in an economy?

A a depreciation in the currency

B a reduction in the productivity of labour

C a world-wide recession

D an increase in direct taxes to finance increased welfare payments

60 – (9708/12_Winter_2019_Q30) – *Government Macro Intervention*

What would be increased by an expansionary fiscal policy?

A budget deficit

B exchange rate

C money supply

D rate of direct taxation

61 – (9708/13_Summer_2020_Q20) – *Government Macro Intervention*

A government decides to devalue the country's currency to remove the deficit on its current account of the balance of payments.

What is the most likely reason why this would **not** work?

A The country gains a competitive advantage from the devaluation.

B The country has a surplus on its capital and financial accounts.

C The price elasticities of demand for the country's exports and imports are greater than one.

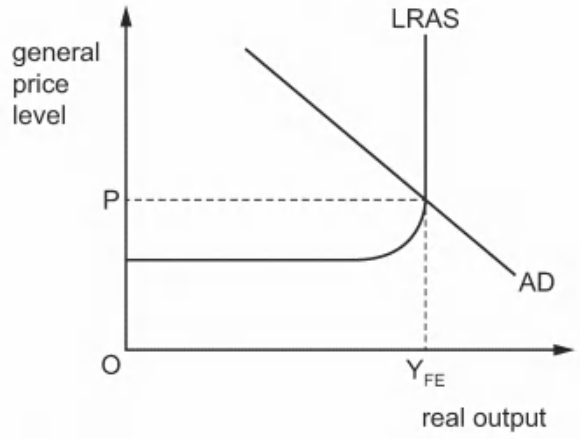
D There are high trade barriers with the country's main trading partners.

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62 – (9708/12_Summer_2020_Q24) – *Government Macro Intervention*

The diagram shows an economy at full employment equilibrium.



Which short-run measures should the government take to maintain the economy's current equilibrium if there is an unexpected balance of trade surplus?

A higher government spending on education financed by an equal rise in direct taxation

B higher direct taxation with government spending unchanged to create a budget surplus

C higher spending on infrastructure financed by a budget deficit

D lower interest rates to promote investment spending in the private sector

63 – (9708/11_Summer_2020_Q29) – *Government Macro Intervention*

In 2018 the United States (US) government reduced direct taxes on consumers and businesses.

What are likely to be the effects of these changes on consumption, investment and national output?

	consumption	investment	national output
A	decrease	decrease	decrease
B	decrease	increase	increase
C	increase	decrease	decrease
D	increase	increase	increase

64 – (9708/12_Summer_2020_Q29) – *Government Macro Intervention*

In 2018 the United States (US) government introduced tariffs on a wide range of imports from China.

Which type of policy was the US government adopting?

A expenditure-reducing

B expenditure-switching

C monetary

D supply-side

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65 – (9708/13_Summer_2020_Q29) – *Government Macro Intervention*

Which combination of fiscal and monetary policies is most likely to be effective in the short run for tackling deflation in a closed economy?

	fiscal policy	monetary policy
A	decreasing the budget deficit	decreasing the interest rate
B	decreasing the budget deficit	decreasing the money supply
C	increasing the budget deficit	decreasing the interest rate
D	increasing the budget deficit	decreasing the money supply

66 – (9708/12_Summer_2020_Q30) – *Government Macro Intervention*

During the Great Depression the US government believed that deflation was caused by a collapse in the prices of stock and other assets, reducing the levels of wealth and confidence. The diagrams show two approaches to counter deflation.

diagram Y

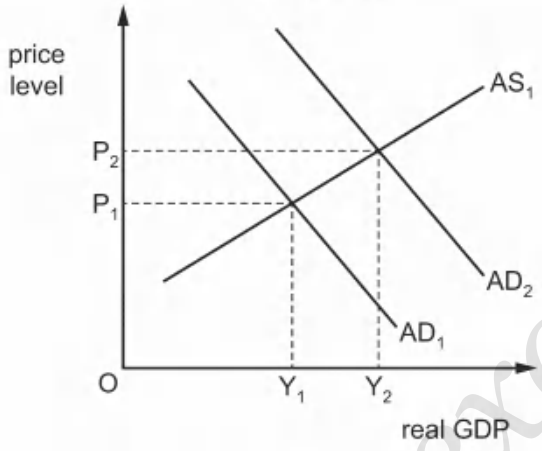
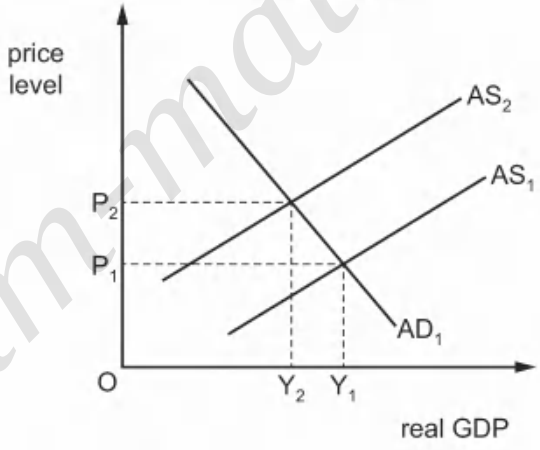


diagram Z



Given this belief, which policy should the US government have used, in an attempt to remove the deflation and which diagram represents the intended outcome of the policy?

	policy	intended outcome
A	decrease interest rates	diagram Y
B	reduce corporation tax	diagram Z
C	increase interest rates	diagram Z
D	reduce corporation tax	diagram Y

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67 – (9708/13_Summer_2020_Q30) – *Government Macro Intervention*

Which policy measure is an expenditure-switching measure designed to reduce a current account surplus?

A a cut in income tax rates

B a depreciation of the exchange rate

C the removal of limits on bank lending

D the removal of subsidies to exporters

68 – (9708/12_Winter_2020_Q19) – *Government Macro Intervention*

Under which combination of circumstances will a policy of increasing the money supply be **most** effective at moving an economy out of recession?

	circumstance one	circumstance two
A	depreciating exchange rate	global financial crisis
B	high nominal interest rates	appreciating exchange rate
C	low aggregate demand	inflation rate above the target level
D	low nominal interest rates	no spare capacity available

69 – (9708/13_Winter_2020_Q19) – *The Macro Economy, Government Macro Intervention*

Under which circumstance would the rate of inflation be **most** likely to fall?

A Government spending increases and society's marginal propensity to save falls.

B Reduced interest rates result in consumers increasing their spending.

C The government increases direct taxes and the level of investment falls.

D The prices of imported raw materials rise, whilst demand for exports falls.

70 – (9708/12_Winter_2020_Q20) – *Government Macro Intervention*

In which economic context is the term 'protectionism' usually applied?

A the protection of consumers against excessive prices

B the protection of employees against exploitation by multinational companies

C the protection of local producers against foreign competitors

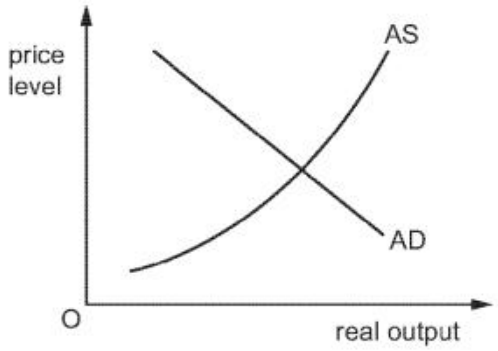
D the protection of the foreign exchange rate against currency speculators

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71 – (9708/11_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

An economy is represented by the AD/AS diagram, which is initially in macroeconomic equilibrium.



Which change will definitely result in a rise in real output?

A a fall in personal taxation and a fall in government expenditure

B a rise in consumption and a rise in the cost of raw materials

C a rise in export revenues and a fall in import expenditure

D a rise in government expenditure and a fall in investment

72 – (9708/12_Winter_2020_Q21) – *Government Macro Intervention*

What is most likely to cause a rise in a country's exchange rate?

A a fall in its direct taxes

B a fall in its export orders

C a rise in its interest rates

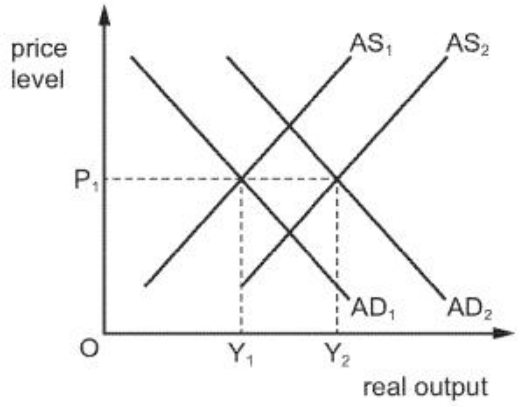
D a rise in its imports

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73 – (9708/13_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

The diagram shows an economy with an initial equilibrium real output of Y_1 at a price level of P_1.



Which combination of events is likely to cause the equilibrium real output to rise to Y_2?

A an increased budget deficit and a fall in energy costs

B an increased budget surplus and a rise in energy costs

C an increased trade deficit and a fall in indirect tax

D an increased trade surplus and a rise in indirect tax

74 – (9708/11_Winter_2020_Q22) – *Government Macro Intervention*

The data shows the consumer prices index (CPI) and an index of money wages in an economy during four years.

year	1	2	3	4
CPI	100	102	105	110
index of money wages	100	102	107	110

Which statement is **not** correct?

A Inflation was at its greatest between years 3 and 4.

B Real wages remained constant between years 1 and 2.

C Real wages rose between years 3 and 4.

D The rate of inflation increased over the whole period.

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75 – (9708/12_Winter_2020_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

A country has a balance of payments deficit. It devalues its currency.

Which combination leads to a reduction in its balance of payments deficit in the long run?

	price elasticity of demand for exports	price elasticity of demand for imports
A	less than 0.5	less than 0.5
B	less than 1	zero (0)
C	more than 0.5	more than 0.5
D	zero (0)	less than 1

76 – (9708/13_Winter_2020_Q24) – *The Macro Economy, Government Macro Intervention*

A country operates a floating exchange rate.

Why might a government change to a fixed exchange rate?

A to increase the stock of foreign currency reserves

B to make the terms of trade more favourable

C to raise the level of certainty for businesses

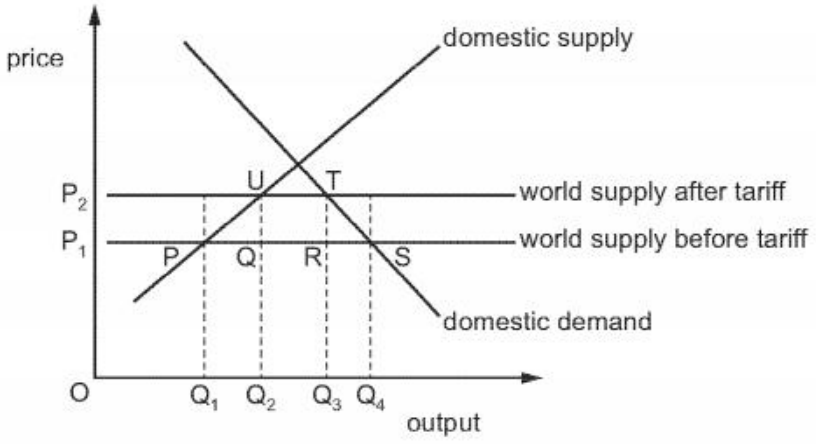
D to use the exchange rate to reduce domestic prices

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77 – (9708/11_Winter_2020_Q25) – *Government Macro Intervention*

The diagram shows the imposition of a tariff on imports.



Which set of values is correct?

	imports before tariff	imports after tariff	tax revenue
A	OQ_4	OQ_3	PUTS
B	OQ_4	OQ_3	QUTR
C	Q_1Q_4	Q_2Q_3	PUTS
D	Q_1Q_4	Q_2Q_3	QUTR

78 – (9708/11_Winter_2020_Q26) – *The Macro Economy, Government Macro Intervention*

When is a deficit on the current account of the balance of payments likely to worsen?

A when a government adopts a deflationary macroeconomic policy

B when a government subsidises exports

C when prices of essential imported raw materials increase significantly

D when tariffs are placed on imported products with a wide range of domestic substitutes

79 – (9708/12_Winter_2020_Q26) – *Government Macro Intervention*

The government of an open economy with an overvalued currency decides to abandon its fixed exchange rate in favour of a floating exchange rate.

Which macroeconomic policy aim is **least** likely to be met because of this change?

A a low inflation rate

B a low level of unemployment

C a reduced balance of payments deficit

D a sustainable rate of economic growth

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80 - (9708/13_Winter_2020_Q26) - *The Macro Economy, Government Macro Intervention*

A country has a persistent balance of payments deficit.

What is most likely to improve the situation in the long run?

A a lowering of the level of import duties

B a reduction in the level of income tax

C the introduction of expansionary monetary policy

D the use of grants to encourage new investment by firms

81 - (9708/11_Winter_2020_Q27) - *Government Macro Intervention*

A government with a floating exchange rate wishes to encourage a rise in the international value of its currency.

What should it do?

A lower the level of domestic interest rates

B reduce the amount of foreign currency available to its citizens

C reduce subsidies to its exporters

D remove trade barriers on imports

82 - (9708/13_Winter_2020_Q27) - *Government Macro Intervention*

To counter deflation a central bank uses expansionary monetary policy.

What is likely to result?

A a higher cost of borrowing

B a higher rate of inflation

C an appreciation of the exchange rate

D an increase in government debt

83 - (9708/11_Winter_2020_Q28) - *Government Macro Intervention*

Greece had an unemployment rate of over 20% in 2016.

Which combination of policies would be best for the Greek government to try to reduce unemployment?

	monetary policy	government expenditure	profit tax
A	decrease interest rates	increase	decrease
B	decrease interest rates	decrease	increase
C	increase interest rates	increase	increase
D	increase interest rates	decrease	decrease

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84 – (9708/12_Winter_2020_Q28) – *Government Macro Intervention*

A government uses monetary policy and fiscal policy to solve a problem of deflation.

Which policy combination is likely to be the **most** successful?

	monetary policy	fiscal policy
A	increasing interest rates	contractionary
B	increasing interest rates	expansionary
C	reducing interest rates	contractionary
D	reducing interest rates	expansionary

85 – (9708/13_Winter_2020_Q28) – *Government Macro Intervention*

A government reduces the benefits that it pays to unemployed workers to increase the incentive to work.

Which types of macroeconomic policies are being used?

	fiscal policy	monetary policy	supply-side policy
A	✓	✗	✗
B	✓	✓	✗
C	✓	✗	✓
D	✗	✗	✓

86 – (9708/12_Winter_2020_Q29) – *Government Macro Intervention*

A government reduces its expenditure on workplace training, increases the level of indirect taxes, and reduces the rate of interest it pays on government debt.

How would these government macroeconomic policies be categorised?

	supply-side	fiscal	monetary
A	con	con	exp
B	exp	con	con
C	con	exp	exp
D	exp	exp	con

key

con = contractionary

exp = expansionary

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87 - (9708/13_Winter_2020_Q29) - *Government Macro Intervention*

Suppose a country has a rate of inflation well below its target rate, high unemployment and a large balance of payments deficit.

What would an economic advisor to the government be most likely to recommend?

A a long-run supply-side policy, aimed at improving the country's efficiency, so improving both the unemployment and the balance of payments positions

B a revaluation of its currency, because that would lead to reduced unemployment and an improved balance of payments

C a rise in interest rates, because it would lead to an improved balance of payments and help achieve the inflation target

D a rise in levels of direct taxation, because that would improve unemployment and move inflation in the direction of a target level

88 - (9708/11_Winter_2020_Q30) - *Government Macro Intervention*

What would be classified as a supply-side policy measure?

A a law to reduce the power of trade unions

B a reduction in the government's fiscal deficit

C an open market sale of securities

D the imposition of a tariff on imported goods

89 - (9708/13_Winter_2020_Q30) - *Government Macro Intervention*

Country X is an open economy with a fixed exchange rate.

Which combination of fiscal and monetary policies would be most effective in solving deflation?

	fiscal policy	monetary policy
A	lower direct taxes	devaluation
B	lower direct taxes	revaluation
C	lower indirect taxes	devaluation
D	lower indirect taxes	revaluation

90 - (9708/12_Summer_2021_Q20) - *The Macro Economy, Government Macro Intervention*

A government devalues its fixed exchange rate.

What is most likely to be its aim?

A to improve the terms of trade

B to increase the level of aggregate demand

C to reduce a current account surplus

D to reduce demand-pull inflation

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91 – (9708/12_Summer_2021_Q21) – *Government Macro Intervention*

As part of its trade policy, a government subsidises the cost of machinery used to manufacture goods for export.

How will this affect the balance of payments?

A decrease the deficit on the capital account

B decrease the deficit on the current account

C increase the deficit on the capital account

D increase the deficit on the current account

92 – (9708/13_Summer_2021_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

The world trade price of cars in country Y is US$10 000. At this price domestic car producers supply 100 000 cars to the market and domestic consumers purchase 200 000 cars. The government of country Y imposes a 10% tariff on imported cars.

Under which conditions will this tariff raise the most revenue for the government?

	price elasticity of supply of car producers in country Y	price elasticity of demand for cars in country Y
A	+0.5	–0.5
B	+0.5	–1.5
C	+1.5	–0.5
D	+1.5	–1.5

93 – (9708/13_Summer_2021_Q27) – *Government Macro Intervention*

Which type of policy would have the most immediate effect in dealing with a deflationary economic downturn?

A increasing the government's budget surplus

B increasing borrowing by assisting banks to lend more

C investing in long-term projects to improve transport networks

D switching the burden of taxation from earning to spending

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94 - (9708/13_Summer_2021_Q28) - *Government Macro Intervention*

Which combination identifies a main aim of supply-side policy and a measure used to achieve this target?

	main aim	policy measure
A	economic growth	deregulation
B	full employment	increasing the money supply
C	income equality	more progressive taxation
D	stable prices	decreasing interest rates

95 - (9708/12_Summer_2021_Q29) - *Government Macro Intervention*

Which policy aimed at correcting a balance of trade deficit is an expenditure-reducing policy?

A depreciation of the currency

B increased direct taxation

C tax incentives for exporters

D the imposition of protectionist tariffs

96 - (9708/13_Summer_2021_Q29) - *Government Macro Intervention*

Deflation is associated with persistent falling price levels.

Which government policy would be most effective to prevent deflation?

A imposing maximum price levels on basic foodstuffs

B improving consumer confidence by reducing sales taxes

C increasing income tax rates and increasing government borrowing

D removing economic uncertainty and encouraging business investment

97 - (9708/12_Summer_2021_Q30) - *Government Macro Intervention*

Which policy will **not** cause a reduction in the rate of inflation?

A increasing income tax

B reducing government spending

C reducing interest rates

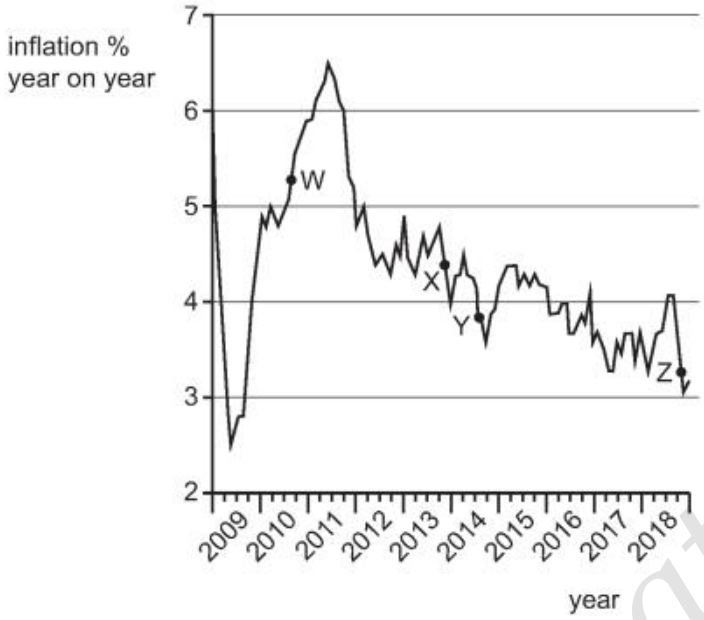
D removing subsidies

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98 – (9708/13_Summer_2021_Q30) – *Government Macro Intervention*

The graph shows inflation rates over 10 years for selected emerging economies.



Government central banks set target minimum inflation rates before readjusting interest rates to stabilise the economy.

If the minimum inflation rate target set by central banks was 4% per year, at which points would they allow interest rates to fall?

A W and X **B** X and Y **C** Y and Z **D** Z and W

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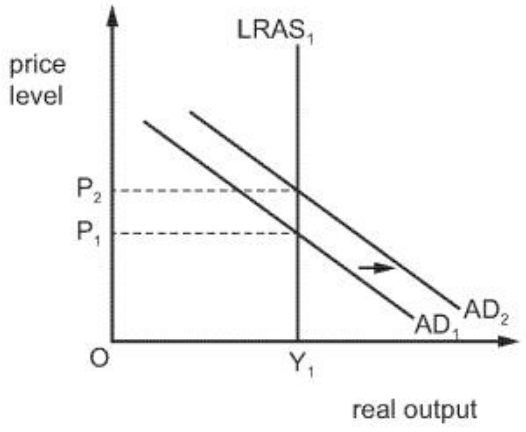
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99 – (9708/11_Winter_2021_Q19) – *Government Macro Intervention*

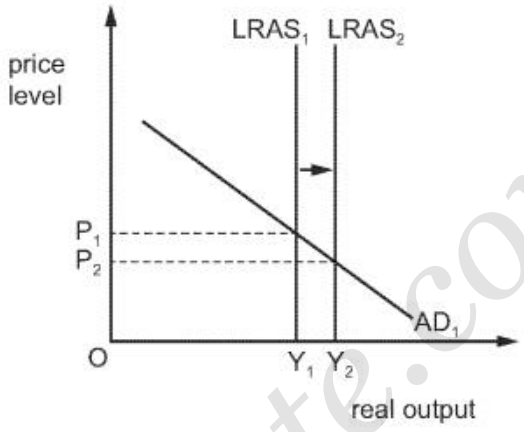
A government plans to increase spending on education and training every year.

Which diagram shows the likely effect of this increase on the economy's long-run output and price level?

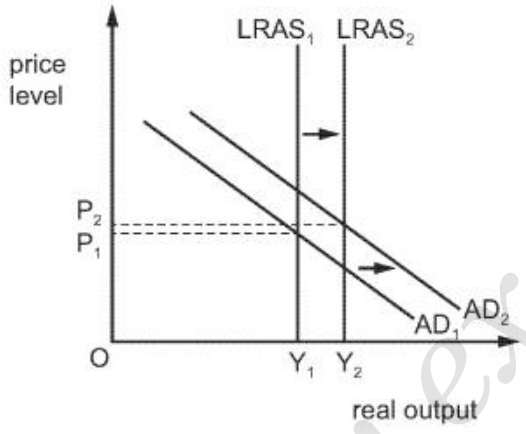
A



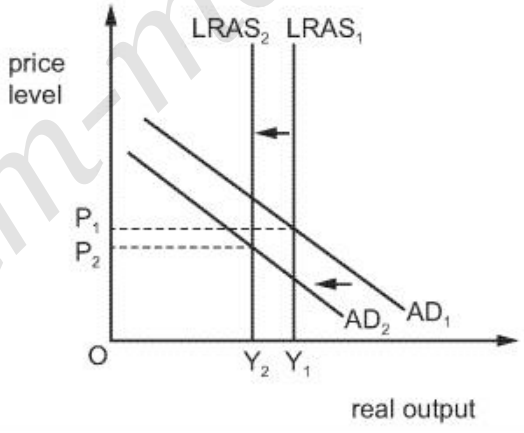
B



C



D



100 – (9708/13_Winter_2021_Q20) – *The Price System And The Micro Economy, Government Microeconomic Intervention, Government Macro Intervention*

The demand for a country's exports is price-elastic. Its government introduces export subsidies.

What will be the effect on its balance of trade and on its terms of trade?

	balance of trade	terms of trade
A	increase	increase
B	increase	decrease
C	decrease	increase
D	decrease	decrease

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101 – (9708/12_Winter_2021_Q22) – *Government Macro Intervention*

Which argument for protection would be most relevant if the government of country X decided to exercise voluntary export restraint in its trade with country Y?

A Voluntary export restraint would achieve an immediate correction for X's balance of trade deficit.

B Voluntary export restraint would cause the level of GDP to increase in country X.

C Voluntary export restraint would help to negotiate improved trading conditions between X and Y.

D Voluntary export restraint would help to reduce the level of unemployment in country X.

102 – (9708/13_Winter_2021_Q22) – *Government Macro Intervention*

A government decides to increase a quota on an imported good.

What is likely to happen?

A The demand for the good will fall.

B The good will become more expensive.

C The government's revenue will decline.

D There will be more of the good imported.

103 – (9708/11_Winter_2021_Q24) – *The Macro Economy, Government Macro Intervention*

An economy experiences a deficit on the current account of its balance of payments.

What could the economy do to finance this deficit?

A adopt a fixed exchange rate

B attract more foreign direct investment

C decrease income tax rates

D lower the rate of interest

104 – (9708/13_Winter_2021_Q24) – *Government Macro Intervention*

Country X places a tariff of 20% on steel products imported from country Y. Country Y retaliates with a 20% tariff on computers imported from country X.

What is a certain economic consequence of these actions?

A The balance of payments of country X and country Y will remain unchanged.

B The exchange rate value on which trade between the two countries is based will be maintained.

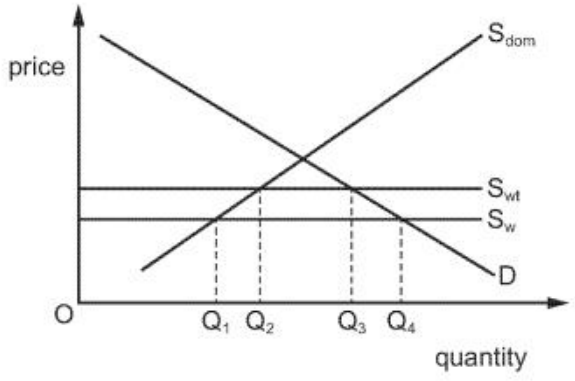
C The profits and employment of domestic firms in both countries will be preserved.

D The volume of bilateral trade between country X and country Y will be reduced.

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105 – (9708/13_Winter_2021_Q26) – *Government Macro Intervention*

The diagram shows the effects of the imposition of a tariff on an internationally-traded good. S_{dom} is the supply and D the demand in country R. S_w is the world supply curve of the product and S_{wt} is the world supply curve after the imposition of a tariff by country R.



Which combination describes the effect on domestic supply of and demand for the good in country R after the imposition of the tariff?

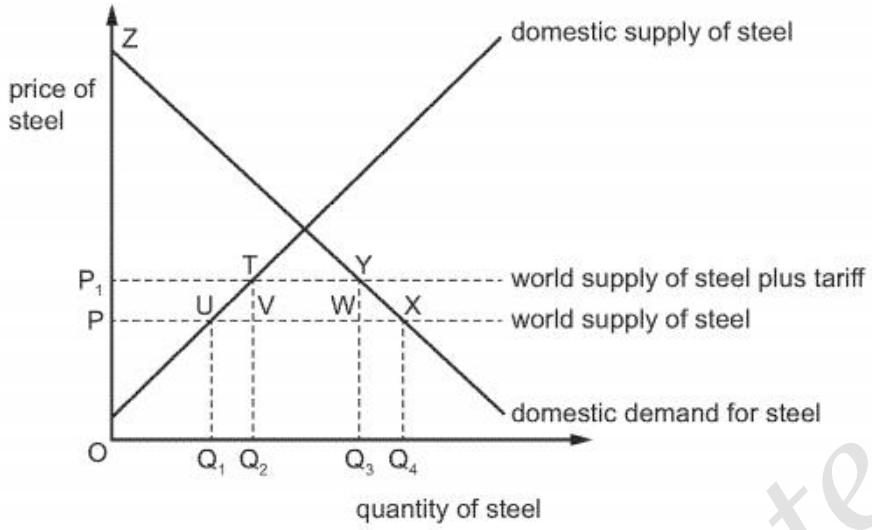
	demand	domestic supply
A	falls	falls
B	falls	rises
C	rises	falls
D	rises	rises

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106 – (9708/12_Winter_2021_Q27) – *Government Macro Intervention*

The diagram shows the effect of the United States (US) imposing a tariff on the import of steel in 2018.



Which statement about the impact of the tariff is correct?

A Consumer surplus falls from P_1TO to PUO.

B Domestic output increases from OQ_1 to OQ_3.

C Imports fall from Q_1Q_4 to Q_2Q_3.

D The tax revenue raised on imports is P_1YWP.

107 – (9708/11_Winter_2021_Q28) – *Government Macro Intervention*

A government reduces the rate of direct income tax and devalues its currency.

Which row describes the policy effects of these decisions?

	fiscal policy	monetary policy	supply-side policy
A	contractionary	expansionary	contractionary
B	expansionary	contractionary	expansionary
C	expansionary	expansionary	contractionary
D	expansionary	expansionary	expansionary

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108 – (9708/12_Winter_2021_Q28) – *Government Macro Intervention*

In 2012, the Indian Government stated that it aimed to reduce its budget deficit to 5.1% of GDP.

Which policy is most likely to help this aim in the short run?

A a decrease in import tariffs

B a decrease in the rate of interest

C an increase in the sale of state-owned assets

D an increase in government pension payments

109 – (9708/13_Winter_2021_Q28) – *Government Macro Intervention*

What is an example of the use of monetary policy?

A a cut in the rate of corporation tax

B a reduction in interest rates

C a switch from direct to indirect taxation

D the introduction of maximum price controls to reduce inflation

110 – (9708/11_Winter_2021_Q29) – *Government Macro Intervention*

The balance of payments on the current account for Guatemala in 2011 was –US$1.6 bn and in 2016 was +US$1.0 bn.

What is most likely to have been a contributory factor to this change in the balance of payments on the current account over this five-year period?

A an appreciation of Guatemala's currency

B a growth of household incomes in Guatemala

C a lowering of tariffs on goods imported into Guatemala

D productivity improvements in Guatemala's export sector

111 – (9708/12_Winter_2021_Q29) – *Government Macro Intervention*

What would make a policy of raising interest rates **less** likely to be effective in reducing inflation?

A Aggregate supply is increasing faster than aggregate demand.

B Consumers expect prices to rise even faster in the future.

C Consumers' spending is largely paid for on credit.

D Interest rates are still higher abroad.

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112 - (9708/13_Winter_2021_Q29) - *Government Macro Intervention*

Which policy would be likely to increase inflation?

A an increase in income tax

B an increase in interest rates

C limiting the amount banks can lend

D raising the level of import tariffs

113 - (9708/11_Winter_2021_Q30) - *Government Macro Intervention*

The government wishes to increase aggregate demand.

Which actions would be most likely to succeed?

A a reduction in income tax and an increase in interest rates

B a reduction in income tax and an increase in production subsidies

C an increase in corporate tax and an increase in government spending

D an increase in value added tax (sales tax) and a reduction in government spending

114 - (9708/12_Winter_2021_Q30) - *Government Macro Intervention*

Country X is an open economy with a floating exchange rate. It changes to a fixed exchange rate.

Which combination of policy changes would be most effective in reducing inflation?

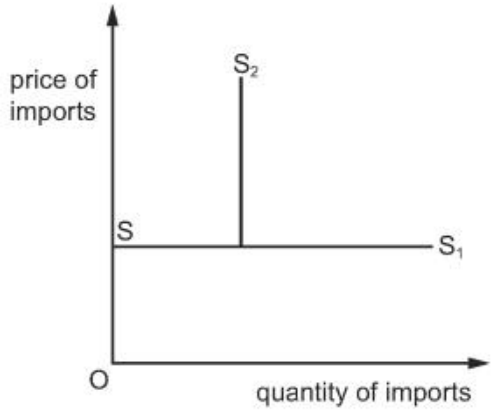
	fiscal policy	new fixed exchange rate
A	higher direct taxes	above purchasing power parity
B	higher direct taxes	below purchasing power parity
C	higher indirect taxes	above purchasing power parity
D	higher indirect taxes	below purchasing power parity

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115 – (9708/11_Summer_2022_Q21) – *Government Macro Intervention*

The diagram shows the change in the supply curve of imports, S–S_1 to curve S–S_2, after the introduction by the government of a trade protection measure.



What is the form of protection?

A an *ad valorem* tariff

B an embargo

C a quota

D a specific tariff

116 – (9708/11_Summer_2022_Q23) – *Government Macro Intervention*

Why might a country's government impose a tax on fuel exports?

A to encourage domestic refineries to increase production

B to improve the country's trade balance

C to reduce fuel prices for domestic consumers

D to reduce the government's budget surplus

117 – (9708/12_Summer_2022_Q23) – *The Macro Economy, Government Macro Intervention*

A country operates a fixed exchange rate system.

What will put pressure on the country to devalue its currency?

A a decrease in the country's inflation rate relative to the inflation rates of other countries

B a decrease in the tariffs on its products imposed by other countries

C an increase in its current account balance of payments deficit with other countries

D an increase in the country's interest rate relative to the interest rates of other countries

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118 – (9708/13_Summer_2022_Q24) – *The Macro Economy, Government Macro Intervention*

A country operates a fixed exchange rate.

There is a major fall of international confidence in its government's economic policies.

What is likely to be the result?

A a fall in its foreign exchange rate

B a fall in its foreign exchange reserves

C a rise in its capital inflows

D a rise in its terms of trade

119 – (9708/12_Summer_2022_Q25) – *Government Macro Intervention*

A small country imposes no tariffs and has a perfectly elastic supply of smartphones from the rest of the world.

Which statement is correct after the imposition of a tariff?

A The domestic demand for smartphones will rise.

B The domestic price of smartphones will rise.

C The government will lose tax revenue.

D The supply of imports will increase.

120 – (9708/11_Summer_2022_Q26) – *Government Macro Intervention*

What would be the best policy to increase the value of a currency?

A Impose tariffs on imported goods with price-inelastic demand.

B Increase interest rates.

C Reduce income tax.

D Sell the currency on the foreign exchange markets.

121 – (9708/12_Summer_2022_Q26) – *Government Macro Intervention*

In a recent year, Japanese car manufacturers agreed to limit exports of cars to the USA.

Which form of protectionism is this?

A an embargo

B an export subsidy

C a quota

D voluntary export restraint

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122 – (9708/11_Summer_2022_Q27) – *Government Macro Intervention*

The central bank of an economy decides to raise interest rates in order to attract capital inflows and improve the financial account of the balance of payments.

When is the central bank's decision **least** likely to be effective?

A when the currency of the economy is expected to lose its value

B when the economy is politically and economically stable

C when the interest rate of the economy is higher than that of other countries

D when the reserves of foreign currencies held by the central bank are high and rising

123 – (9708/11_Summer_2022_Q28) – *Government Macro Intervention*

What could be described as an expansionary fiscal policy?

A a decrease in the budget deficit

B a decrease in the budget surplus

C a decrease in the exchange rate

D a decrease in the money supply

124 – (9708/12_Summer_2022_Q28) – *Government Macro Intervention*

What, if decreased, will help to reduce the rate of inflation?

A budget deficit

B direct taxes

C exchange rate

D interest rate

125 – (9708/13_Summer_2022_Q28) – *The Macro Economy, Government Macro Intervention*

Which measure to correct a balance of payments current account deficit would be classified as an expenditure-reducing policy?

A a reduction in interest rates

B a revaluation of the currency

C an increase in direct taxes

D an introduction of foreign exchange controls

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126 – (9708/14_Summer_2022_Q28) – *Government Macro Intervention*

An economy has a balance of payments surplus, which it wishes to eliminate.

In order to achieve this objective, which combination of policies would be **most** appropriate?

A a depreciation of the currency and an increase in government spending

B an appreciation of the currency and a cut in interest rates

C an increase in the money supply and a pay freeze

D increases in both direct and indirect taxation

127 – (9708/11_Summer_2022_Q29) – *Government Macro Intervention*

Why will a contractionary monetary policy reduce inflation?

A Banks will lend more.

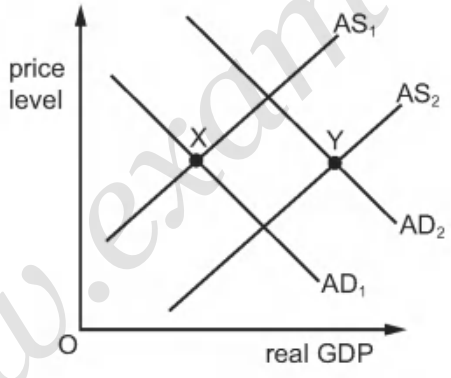
B Consumers will have higher disposable income.

C Consumers will pay more tax.

D Consumers will save more.

128 – (9708/13_Summer_2022_Q29) – *Government Macro Intervention*

The diagram shows the AD/AS curves for an economy.



Which government action is most likely to cause the equilibrium position to move from X to Y?

A an increase in the exchange rate that makes locally produced goods less price-competitive, both at home and abroad

B an increase in government spending on infrastructure that increases the production potential of the economy

C an increase in interest rates that increases the cost of borrowing

D an increase in real wages of labour

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129 - (9708/14_Summer_2022_Q29) - *Government Macro Intervention*

What would be increased by an expansionary fiscal policy?

A budget deficit

B exchange rate

C money supply

D rate of direct taxation

130 - (9708/11_Summer_2022_Q30) - *Government Macro Intervention*

The government of a country is worried about a large deficit on the current account of its balance of payments and an increasing rate of inflation. The country has a fixed exchange rate for its currency.

Which policy measure is **most** likely to help the government to reduce the current account deficit and lower the rate of inflation?

A devaluation of the currency

B increasing government spending

C decreasing the direct taxes

D increasing the interest rate

131 - (9708/12_Summer_2022_Q30) - *Government Macro Intervention*

A country with low unemployment and a managed floating exchange rate has a persistent current account deficit on its balance of payments.

Which policy to reduce this deficit is **most** likely to keep unemployment low, but cause inflation?

A depreciating its currency

B higher direct taxation

C higher import tariffs

D higher interest rates

132 - (9708/13_Summer_2022_Q30) - *Government Macro Intervention*

A country is suffering from severe deflation.

What is most likely to prevent the deflation from worsening?

A increasing income tax to help reduce the government's budget deficit

B increasing interest rates to encourage more saving

C increasing transfer payments to reduce inequality of income

D revaluing the currency to bring in more revenue from exports

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133 - (9708/14_Summer_2022_Q30) - *Government Macro Intervention*

A government decides to borrow from the general public in order to finance its extra spending on apprenticeship training schemes.

Which types of macroeconomic policy are being used?

	fiscal	monetary	supply side
A	✓	✗	✓
B	✓	✗	✗
C	✗	✓	✓
D	✗	✓	✗

134 - (9708/11_Winter_2022_Q1) - *Government Macro Intervention*

An economy is changing from a planned economy to a market economy.

Which action would be expected during this change?

A the replacement of fiscal policy by monetary policy

B the replacement of multinational companies by national companies

C the replacement of nationalisation by privatisation

D the replacement of private property rights by common ownership

135 - (9708/11_Winter_2022_Q18) - *Government Macro Intervention*

A government announces its intention to reduce the level of transfer payments in the economy.

Which statement made by the government is consistent with this intention?

A There need to be more incentives for unemployed workers to seek jobs.

B State pensions need to be increased.

C The level of income tax needs to be raised.

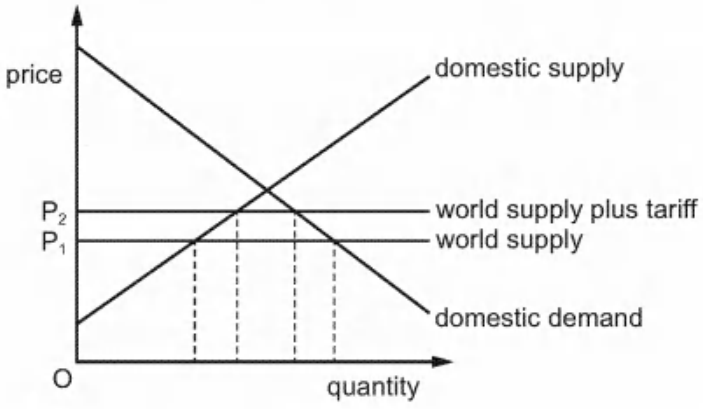
D The level of government expenditure needs to be increased.

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136 – (9708/12_Winter_2022_Q27) – *Government Macro Intervention*

The diagram shows the effect of introducing a tariff on a product.



What determines the producer surplus that the tariff generates for domestic producers?

A the price elasticities of domestic supply and demand

B the tariff rate and the price elasticities of both domestic demand and supply

C the tariff rate and the price elasticity of domestic demand

D the tariff rate and the price elasticity of domestic supply

137 – (9708/13_Winter_2022_Q27) – *Government Macro Intervention*

What would be likely to decrease inflation in an economy?

A a decrease in consumer saving

B a decrease in unemployment

C an increase in labour productivity

D an increase in taxes on imports

138 – (9708/12_Winter_2022_Q28) – *Government Macro Intervention*

Which government policy is most likely to cause expenditure switching that will benefit a country's current account?

A increasing import quotas

B increasing income tax allowances

C increasing spending on unemployment benefits

D increasing subsidies to domestic firms

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139 – (9708/13_Winter_2022_Q28) – *Government Macro Intervention*

Which change in economic circumstances is **most** likely to lead to a reduction in the rate of domestic inflation in an economy?

A a depreciation in the currency

B a reduction in the productivity of labour

C a worldwide recession

D an increase in direct taxes to finance increased welfare payments

140 – (9708/12_Winter_2022_Q29) – *Government Macro Intervention*

Which type of economic policy is likely to be considered the most effective by a government that has greater income equality as its primary aim?

A fiscal policy

B international trade policy

C monetary policy

D supply side policy

141 – (9708/13_Winter_2022_Q29) – *Government Macro Intervention*

A country is currently experiencing deflation. It has a large national debt that is greater than its annual real income.

Which combination of policies is most likely to increase the general price level without adding to the national debt?

	fiscal policy	monetary policy
A	decrease the budget deficit	decrease the money supply
B	decrease the budget deficit	increase the money supply
C	increase the budget deficit	decrease the money supply
D	increase the budget deficit	increase the money supply

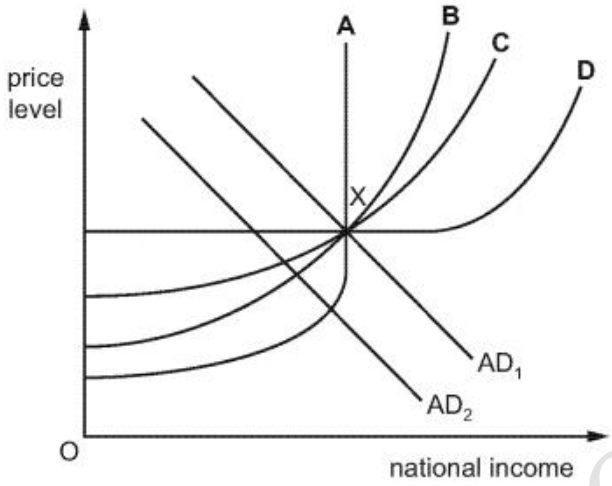
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142 – (9708/12_Winter_2022_Q30) – *Government Macro Intervention*

The diagram shows four possible aggregate supply curves and an equilibrium point X. A government employs deflationary fiscal policy in order to reduce the rate of inflation in its economy. This shifts aggregate demand to AD_2.

With which AS curve would this policy be most effective?



143 – (9708/13_Winter_2022_Q30) – *Government Macro Intervention*

Which government action will conflict with the named economic target?

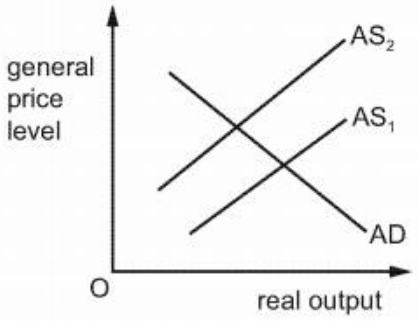
	target	action
A	lower price inflation	lower exchange rate
B	more consumer spending	lower interest rates
C	more equal incomes	lower indirect tax rate
D	reduced import levels	smaller trade quotas

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144 – (9708/11_Summer_2023_Q19) – *Government Macro Intervention*

The diagram shows the aggregate demand (AD) and aggregate supply (AS) for an economy.



Which changes in subsidies and indirect taxes would have caused the change from AS_1 to AS_2?

A higher subsidies and higher indirect taxes

B higher subsidies and lower indirect taxes

C lower subsidies and higher indirect taxes

D lower subsidies and lower indirect taxes

145 – (9708/11_Summer_2023_Q26) – *Government Macro Intervention*

Which measure is aimed directly at promoting international trade?

A decreasing existing quotas

B increasing interest rates

C subsidies paid to export industries

D wage subsidy schemes during recessions

146 – (9708/11_Summer_2023_Q27) – *Government Macro Intervention*

What would be classified as a supply-side policy measure?

A a law to reduce the power of trade unions

B a reduction in the government's fiscal deficit

C an open market sale of securities

D the imposition of a tariff on imported goods

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147 - (9708/11_Summer_2023_Q30) - *Government Macro Intervention*

A government orders its central bank to buy its domestic currency on the foreign exchange markets in the belief that this will improve the balance of payments.

What does this suggest?

A Demand for the country's exports is price inelastic.

B The country's Marshall–Lerner condition is greater than 1.

C The government has a budget deficit.

D The overall balance of payments is in surplus.

148 - (9708/12_Summer_2023_Q23) - *Government Macro Intervention*

Which combination of policies would be most effective in reducing a balance of payments current account surplus?

	a decrease in tariffs on imports	a devaluation of the exchange rate	an expansionary monetary policy
A	no	yes	no
B	no	no	yes
C	yes	no	yes
D	yes	yes	no

149 - (9708/12_Summer_2023_Q25) - *Government Macro Intervention*

What will definitely change a country's terms of trade?

1 when the price of imported raw materials increases

2 a change in inflation rates

3 an appreciation of the exchange rate

A 1, 2 and 3 **B** 1 and 2 only **C** 1 and 3 only **D** 2 and 3 only

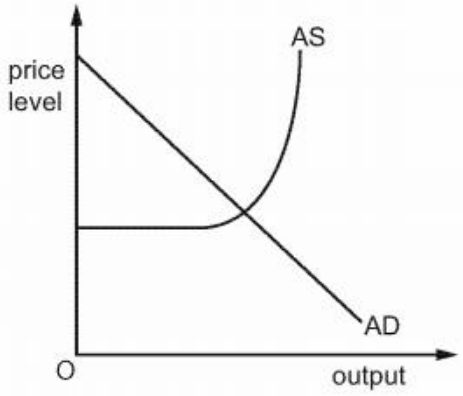
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150 – (9708/12_Summer_2023_Q27) – *Government Macro Intervention*

The diagram shows the current equilibrium of an economy.

The government introduces a contractionary monetary policy.



What is the most likely outcome?

A a fall in investment and a fall in inflation

B a fall in investment and a rise in inflation

C a rise in investment and a fall in inflation

D a rise in investment and a rise in inflation

151 – (9708/12_Summer_2023_Q28) – *Government Macro Intervention*

A government wishes to reduce the deficit on the secondary income section of its current account.

Which policy would be most effective?

A an increase in subsidies to exporters

B an increase in the tariffs on imports

C a reduction in the number of migrant workers allowed into the country

D a reduction in overseas aid donations

152 – (9708/12_Summer_2023_Q29) – *Government Macro Intervention*

Supply-side policies can be used to correct cost-push inflation.

Which policy would best achieve this aim in the long run?

A allowing trade unions to maintain work practices irrespective of productivity

B encouraging workers to work extra hours for extra pay

C increasing total labour supply by employing more unskilled workers

D supporting the replacement of labour-manned machines by the use of robots

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153 – (9708/13_Summer_2023_Q16) – *Government Macro Intervention*

A government has a policy aim of reducing income inequality. It considers three policies.

Which combination of policies would be most effective?

	an increase in the marginal rate of tax from 40% to 50%	an increase in the minimum wage	a subsidy on battery-powered cars which cost over $40 000
A	yes	no	no
B	yes	yes	no
C	yes	no	yes
D	no	yes	no

154 – (9708/13_Summer_2023_Q19) – *Government Macro Intervention*

Which policy is most likely to help to correct an adverse balance on the current account of the balance of payments?

A abolishing tariffs

B depreciating the currency

C reducing direct taxes

D reducing indirect taxes

155 – (9708/13_Summer_2023_Q20) – *Government Macro Intervention*

In year 1, a country's real GDP was $500 billion. In year 2, nominal GDP rose to $577.5 billion and the prices increased by 5%.

What is the real GDP in year 2?

A $4.76 billion **B** $5 billion **C** $476 billion **D** $550 billion

156 – (9708/13_Summer_2023_Q24) – *Government Macro Intervention*

Which government action is **least** likely to prevent a fall in economic growth?

A additional controls on commercial banks' lending

B relaxation of rules for immigration of adult population

C removal of trade barriers on import of raw materials

D training and education of workforce

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157 – (9708/13_Summer_2023_Q25) – *Government Macro Intervention*

What is the most likely cause of an outward shift of a country's aggregate demand curve?

A a decrease in the competitiveness of domestically produced products

B a decrease in the general price level

C a decrease in the money supply

D a depreciation of the country's exchange rate

158 – (9708/13_Summer_2023_Q27) – *Government Macro Intervention*

A country had a current account surplus of $141bn.

Which policy may its government implement to reduce this surplus in the short run?

A a decrease in direct taxes

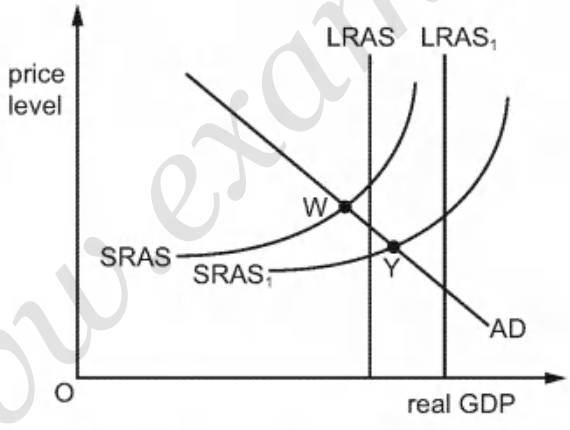
B a decrease in regulations to encourage more foreign firms to locate in this country

C an increase of import duties

D an increase in interest rates

159 – (9708/13_Summer_2023_Q28) – *Government Macro Intervention*

The diagram shows aggregate demand (AD) and aggregate supply in the short run (SRAS) and the long run (LRAS).



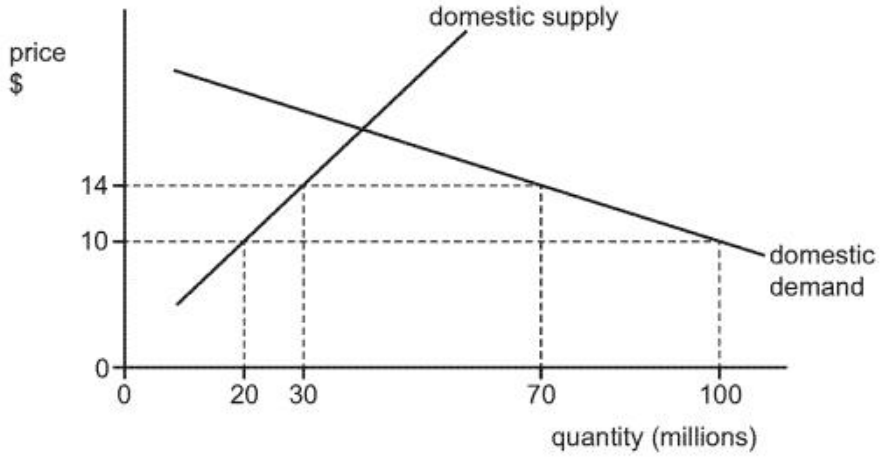
Which row is correct in causing a shift in the short run aggregate supply from SRAS to $SRAS_1$ and the long run aggregate supply from LRAS to $LRAS_1$?

	shift from SRAS to $SRAS_1$	shift from LRAS to $LRAS_1$
A	change in AD from W to Y	increase in population
B	decrease in raw material costs	improvements in the education of workers
C	decrease in wage rates	decrease in immigration
D	increase in availability of labour	increase in labour productivity

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160 – (9708/13_Summer_2023_Q29) – *Government Macro Intervention*

The diagram shows that the imposition of a tariff raises a product's world price from $10 to $14.



By how much did domestic producers' income increase as a result of the tariff?

A $120 million **B** $160 million **C** $220 million **D** $280 million

161 – (9708/13_Summer_2023_Q30) – *Government Macro Intervention*

Which approach would a government be most likely to use to eliminate deflation?

A an increase in direct taxes

B an increase in interest rates

C a reduction in indirect taxes

D a reduction in its budget surplus

162 – (9708/11_Winter_2023_Q21) – *Government Macro Intervention*

Why is increased government provision of education most likely to shift the aggregate demand curve to the right?

A It will increase aggregate supply.

B More schools will be built.

C The government will have to raise taxes.

D Workers will be more highly skilled.

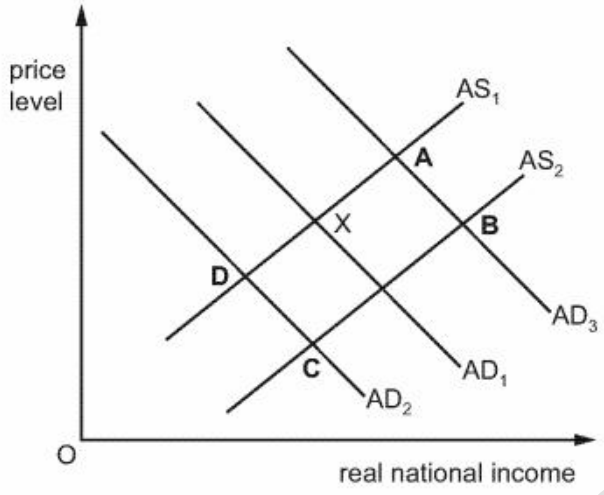
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163 – (9708/11_Winter_2023_Q28) – *Government Macro Intervention*

The government of a country plans to raise income tax rates. The initial equilibrium for the country is represented by point X on the diagram.

Which new equilibrium point would an economist predict as the result?



164 – (9708/11_Winter_2023_Q29) – *Government Macro Intervention*

Which combination would represent the most expansionary set of monetary policies?

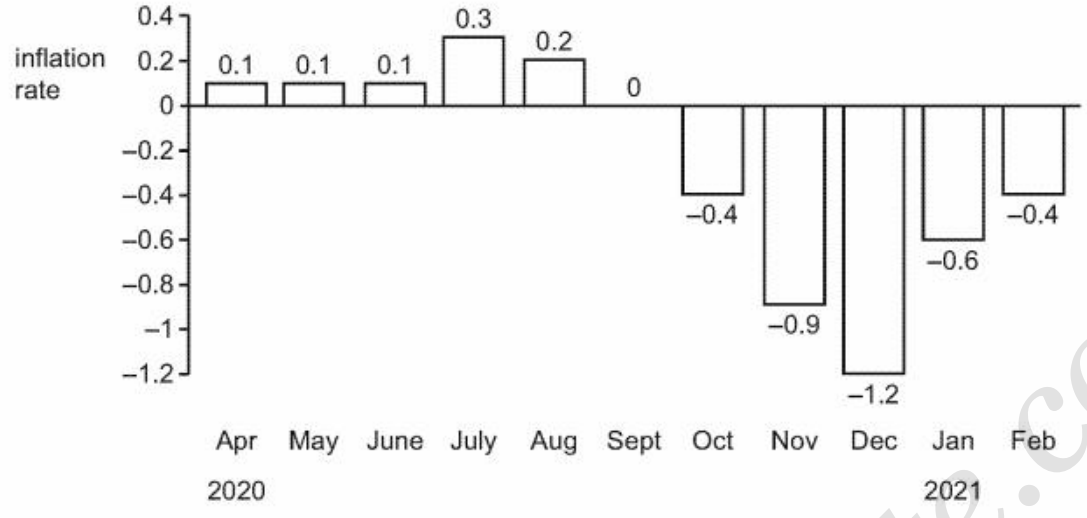
	credit availability	interest rates	money supply
A	increased	up	reduced
B	increased	down	increased
C	reduced	up	increased
D	reduced	down	reduced

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165 – (9708/12_Winter_2023_Q22) – *Government Macro Intervention*

The graph shows the rate of inflation in Japan from April 2020 to February 2021.



Over which period did disinflation occur in Japan?

A July 2020 to February 2021

B July 2020 to September 2020

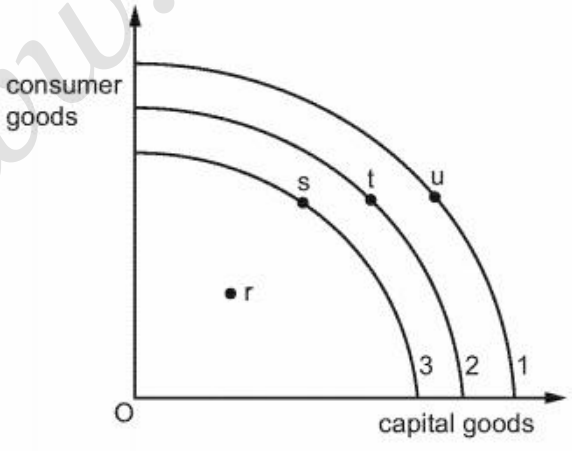
C October 2020 to December 2020

D October 2020 to February 2021

166 – (9708/12_Winter_2023_Q23) – *Government Macro Intervention*

The diagram shows three production possibility curves (PPC) for a country, labelled 3, 2 and 1. The original PPC for the country is 2.

This country experiences a fall in its working population and then this is followed by a long period of recession.



If an increase in GDP then takes place, what is the increase in production?

A r to s **B** r to u **C** s to t **D** t to u

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167 – (9708/12_Winter_2023_Q24) – *Government Macro Intervention*

A government increases the rate of income tax.

What is the effect, in the short run, on the aggregate demand curve or the aggregate supply curve?

A The aggregate demand curve shifts left.

B The aggregate demand curve shifts right.

C The aggregate supply curve shifts left.

D The aggregate supply curve shifts right.

168 – (9708/12_Winter_2023_Q25) – *Government Macro Intervention*

A country's current account deficit is larger this year than last.

What is the most likely reason for this increase?

A Demand for domestically produced goods has risen.

B Domestic inflation has risen faster than the inflation of its major trading partners.

C Domestic unemployment has risen.

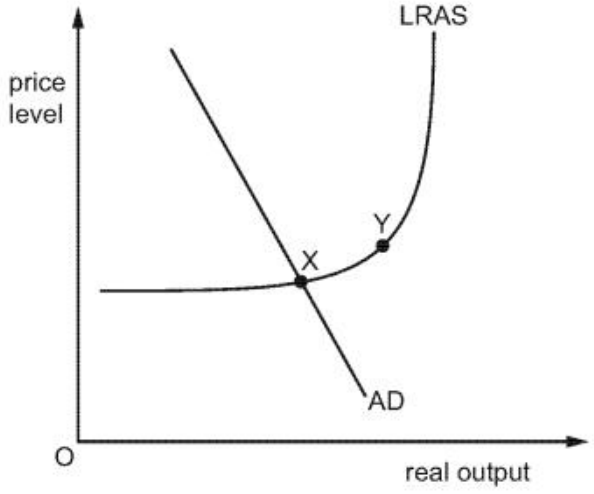
D The exchange rate has depreciated.

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169 – (9708/13_Winter_2023_Q26) – *Government Macro Intervention*

The diagram shows the long-run aggregate supply (LRAS) and aggregate demand (AD) curves for an economy.



The initial equilibrium is at point X.

Which combination of monetary policies will shift the equilibrium position to point Y?

	money supply	rate of interest
A	increase	increase
B	decrease	increase
C	increase	decrease
D	decrease	decrease

170 – (9708/13_Winter_2023_Q27) – *Government Macro Intervention*

The government undertakes a policy of financing training and retraining for unemployed workers.

Which terms are most likely be used to classify this policy?

	demand-side	supply-side	fiscal	monetary
A	yes	no	yes	no
B	yes	no	no	yes
C	no	yes	no	yes
D	no	yes	yes	no

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171 – (9708/13_Winter_2023_Q28) – *Government Macro Intervention*

Which combination of initial equilibrium and supply-side policy is likely to be **least** effective when attempting to increase the real output of an economy?

	initial equilibrium real output	supply-side policy measure
A	below full employment	abolition of national minimum wage
B	below full employment	extra spending on training
C	full employment	extra investment in infrastructure
D	full employment	reduction in the rate of income tax

172 – (9708/13_Winter_2023_Q29) – *Government Macro Intervention*

A government aims to reduce unemployment through expansionary fiscal policy and borrows more from the commercial banks, increasing its borrowing requirement.

What will be the result?

A a decrease in the budget deficit

B a decrease in the national debt

C an increase in the balance of payments deficit on the current account

D an increase in the interest rates

173 – (9708/13_Winter_2023_Q30) – *Government Macro Intervention*

A government wants to use an expansionary monetary policy.

What should the government increase?

A credit regulations

B the exchange rate

C the interest rate

D the money supply

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1 – (9708/11_Winter_2023_Q22) – *International Economic Issues*

Which item is **not** included in the current account of a country's balance of payments?

A exports of services

B interest on foreign loans

C profits from foreign investments

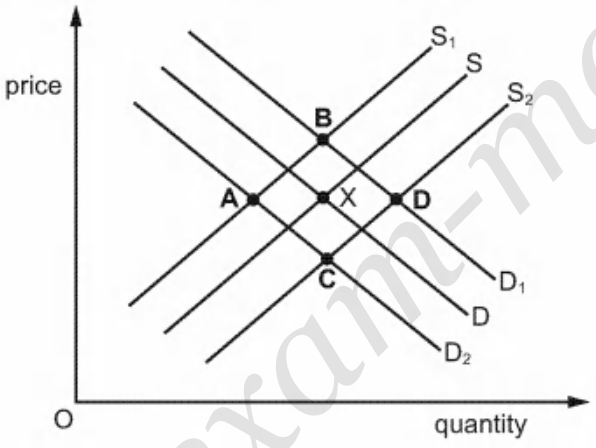
D the purchase of foreign assets

2 – (9708/12_Winter_2023_Q10) – *International Economic Issues*

In the diagram, D and S represent the demand for and supply of smartphones. Many components used in the production of smartphones are imported. The initial equilibrium is at point X.

The exchange rate has depreciated at the same time as the price of a complementary good decreased.

Which point in the diagram could represent the new equilibrium?



3 – (9708/12_Winter_2023_Q17) – *International Economic Issues*

Which term relates to a fall in the domestic real value of a currency?

A deflation

B depreciation

C appreciation

D inflation

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4 – (9708/12_Winter_2023_Q28) – *International Economic Issues*

A foreign government pays a UK university to educate its students.

How would this be recorded on the balance of payments current account of the UK?

	current account component	money flows
A	secondary income	inflow
B	secondary income	outflow
C	trade in services	inflow
D	trade in services	outflow

5 – (9708/13_Winter_2023_Q21) – *International Economic Issues*

Which components are included as primary income in the current account of the balance of payments?

	trade in goods	current transfers	employment income from abroad
A	✓	✓	✓
B	✓	✗	✗
C	✗	✓	✗
D	✗	✗	✓

key
✓ = included
✗ = not included

6 – (9708/13_Winter_2023_Q24) – *International Economic Issues*

Country R and country S are going to trade 1 unit of product X for $\frac{1}{2}$ unit of product Y.

With a given amount of resources:

- country R can produce either 30 units of product X or 50 units of product Y
- country S can produce either 20 units of product X or 25 units of product Y.

Which statement is correct, according to the theory of comparative advantage?

A Free trade will benefit both R and S.

B Free trade will benefit neither R nor S.

C Free trade will benefit R but not S.

D Free trade will benefit S but not R.

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7 - (9708/13_Winter_2023_Q25) - *International Economic Issues*

What is the most likely cause of a current account deficit on the balance of payments?

A an undervalued exchange rate

B a relatively low rate of inflation

C a shrinking domestic economy

D a general fall in national productivity

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ANSWERS

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1 – (9708/11_Summer_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

A

2 – (9708/12_Summer_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

C

3 – (9708/13_Summer_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

D

4 – (9708/11_Summer_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

A

5 – (9708/12_Summer_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

D

6 – (9708/13_Summer_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

B

7 – (9708/11_Summer_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

D

8 – (9708/12_Summer_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

C

9 – (9708/13_Summer_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

A

10 – (9708/11_Summer_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

B

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11 – (9708/12_Summer_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

A

12 – (9708/13_Summer_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

D

13 – (9708/12_Summer_2017_Q5) – *Basic Economic Ideas And Resource Allocation*

B

14 – (9708/11_Winter_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

A

15 – (9708/12_Winter_2017_Q1) – *Basic Economic Ideas And Resource Allocation*

A

16 – (9708/12_Winter_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

B

17 – (9708/13_Winter_2017_Q2) – *Basic Economic Ideas And Resource Allocation*

A

18 – (9708/11_Winter_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

C

19 – (9708/12_Winter_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

C

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20 – (9708/13_Winter_2017_Q3) – *Basic Economic Ideas And Resource Allocation*

A

21 – (9708/11_Winter_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

B

22 – (9708/12_Winter_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

C

23 – (9708/13_Winter_2017_Q4) – *Basic Economic Ideas And Resource Allocation*

A

24 – (9708/11_Summer_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

D

25 – (9708/12_Summer_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

D

26 – (9708/13_Summer_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

A

27 – (9708/11_Summer_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

C

28 – (9708/12_Summer_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

B

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29 – (9708/13_Summer_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

D

30 – (9708/11_Summer_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

B

31 – (9708/12_Summer_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

B

32 – (9708/13_Summer_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

C

33 – (9708/11_Summer_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

A

34 – (9708/12_Summer_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

A

35 – (9708/13_Summer_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

A

36 – (9708/12_Summer_2018_Q10) – *Basic Economic Ideas And Resource Allocation*

B

37 – (9708/12_Winter_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

B

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38 – (9708/13_Winter_2018_Q1) – *Basic Economic Ideas And Resource Allocation*

A

39 – (9708/11_Winter_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

B

40 – (9708/12_Winter_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

D

41 – (9708/13_Winter_2018_Q2) – *Basic Economic Ideas And Resource Allocation*

D

42 – (9708/11_Winter_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

A

43 – (9708/12_Winter_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

A

44 – (9708/13_Winter_2018_Q3) – *Basic Economic Ideas And Resource Allocation*

A

45 – (9708/11_Winter_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

D

46 – (9708/12_Winter_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

C

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47 – (9708/13_Winter_2018_Q4) – *Basic Economic Ideas And Resource Allocation*

B

48 – (9708/13_Winter_2018_Q17) – *Basic Economic Ideas And Resource Allocation*

C

49 – (9708/13_Winter_2018_Q18) – *Basic Economic Ideas And Resource Allocation*

D

50 – (9708/11_Summer_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

C

51 – (9708/12_Summer_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

B

52 – (9708/13_Summer_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

D

53 – (9708/11_Summer_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

C

54 – (9708/12_Summer_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

B

55 – (9708/13_Summer_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

B

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56 – (9708/11_Summer_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

D

57 – (9708/12_Summer_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

A

58 – (9708/13_Summer_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

A

59 – (9708/11_Summer_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

C

60 – (9708/13_Summer_2019_Q4) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

B

61 – (9708/11_Summer_2019_Q16) – *Basic Economic Ideas And Resource Allocation*

D

62 – (9708/11_Summer_2019_Q18) – *Basic Economic Ideas And Resource Allocation*

D

63 – (9708/11_Winter_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

C

64 – (9708/12_Winter_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

B

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65 – (9708/13_Winter_2019_Q1) – *Basic Economic Ideas And Resource Allocation*

A

66 – (9708/11_Winter_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

D

67 – (9708/12_Winter_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

D

68 – (9708/13_Winter_2019_Q2) – *Basic Economic Ideas And Resource Allocation*

C

69 – (9708/12_Winter_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

D

70 – (9708/13_Winter_2019_Q3) – *Basic Economic Ideas And Resource Allocation*

A

71 – (9708/11_Winter_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

D

72 – (9708/12_Winter_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

D

73 – (9708/13_Winter_2019_Q4) – *Basic Economic Ideas And Resource Allocation*

A

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74 – (9708/11_Winter_2019_Q14) – *Basic Economic Ideas And Resource Allocation*

A

75 – (9708/12_Winter_2019_Q14) – *Basic Economic Ideas And Resource Allocation*

A

76 – (9708/11_Summer_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

C

77 – (9708/13_Summer_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

C

78 – (9708/11_Summer_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

C

79 – (9708/12_Summer_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

B

80 – (9708/13_Summer_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

C

81 – (9708/11_Summer_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

C

82 – (9708/12_Summer_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

D

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83 – (9708/13_Summer_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

C

84 – (9708/11_Summer_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

A

85 – (9708/12_Summer_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

A

86 – (9708/13_Summer_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

D

87 – (9708/13_Summer_2020_Q10) – *Basic Economic Ideas And Resource Allocation*

A

88 – (9708/11_Summer_2020_Q18) – *Basic Economic Ideas And Resource Allocation*

C

89 – (9708/11_Winter_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

C

90 – (9708/12_Winter_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

C

91 – (9708/13_Winter_2020_Q1) – *Basic Economic Ideas And Resource Allocation*

B

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92 – (9708/11_Winter_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

B

93 – (9708/12_Winter_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

C

94 – (9708/13_Winter_2020_Q2) – *Basic Economic Ideas And Resource Allocation*

A

95 – (9708/11_Winter_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

A

96 – (9708/12_Winter_2020_Q3) – *Basic Economic Ideas And Resource Allocation*

B

97 – (9708/11_Winter_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

B

98 – (9708/12_Winter_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

B

99 – (9708/13_Winter_2020_Q4) – *Basic Economic Ideas And Resource Allocation*

D

100 – (9708/12_Winter_2020_Q9) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

C

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101 – (9708/11_Winter_2020_Q10) – *Basic Economic Ideas And Resource Allocation*

D

102 – (9708/13_Winter_2020_Q14) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

B

103 – (9708/11_Winter_2020_Q17) – *Basic Economic Ideas And Resource Allocation*

D

104 – (9708/12_Summer_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A

105 – (9708/13_Summer_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

C

106 – (9708/12_Summer_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

D

107 – (9708/13_Summer_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

D

108 – (9708/12_Summer_2021_Q3) – *Basic Economic Ideas And Resource Allocation, The Macro Economy*

C

109 – (9708/13_Summer_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

D

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110 – (9708/12_Summer_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

D

111 – (9708/13_Summer_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

D

112 – (9708/13_Summer_2021_Q10) – *Basic Economic Ideas And Resource Allocation*

A

113 – (9708/13_Summer_2021_Q14) – *Basic Economic Ideas And Resource Allocation*

D

114 – (9708/12_Summer_2021_Q18) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

A

115 – (9708/11_Winter_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A

116 – (9708/12_Winter_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A

117 – (9708/13_Winter_2021_Q1) – *Basic Economic Ideas And Resource Allocation*

A

118 – (9708/11_Winter_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

D

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119 – (9708/12_Winter_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

D

120 – (9708/13_Winter_2021_Q2) – *Basic Economic Ideas And Resource Allocation*

C

121 – (9708/11_Winter_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

A

122 – (9708/12_Winter_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

A

123 – (9708/13_Winter_2021_Q3) – *Basic Economic Ideas And Resource Allocation*

A

124 – (9708/11_Winter_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

C

125 – (9708/12_Winter_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

C

126 – (9708/13_Winter_2021_Q4) – *Basic Economic Ideas And Resource Allocation*

B

127 – (9708/11_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

B

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128 – (9708/12_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

D

129 – (9708/13_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

B

130 – (9708/14_Summer_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

D

131 – (9708/11_Summer_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

C

132 – (9708/12_Summer_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

B

133 – (9708/14_Summer_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

C

134 – (9708/11_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

C

135 – (9708/12_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

A

136 – (9708/13_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

B

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137 – (9708/14_Summer_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

A

138 – (9708/11_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

D

139 – (9708/12_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

A

140 – (9708/13_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

B

141 – (9708/14_Summer_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

D

142 – (9708/12_Summer_2022_Q5) – *Basic Economic Ideas And Resource Allocation*

C

143 – (9708/12_Summer_2022_Q7) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

C

144 – (9708/11_Summer_2022_Q11) – *Basic Economic Ideas And Resource Allocation*

B

145 – (9708/12_Summer_2022_Q12) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

A

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146 – (9708/13_Summer_2022_Q12) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

C

147 – (9708/14_Summer_2022_Q14) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

C

148 – (9708/12_Winter_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

A

149 – (9708/13_Winter_2022_Q1) – *Basic Economic Ideas And Resource Allocation*

A

150 – (9708/12_Winter_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

B

151 – (9708/13_Winter_2022_Q2) – *Basic Economic Ideas And Resource Allocation*

D

152 – (9708/11_Winter_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

A

153 – (9708/12_Winter_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

A

154 – (9708/13_Winter_2022_Q3) – *Basic Economic Ideas And Resource Allocation*

B

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155 – (9708/11_Winter_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

C

156 – (9708/12_Winter_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

B

157 – (9708/13_Winter_2022_Q4) – *Basic Economic Ideas And Resource Allocation*

D

158 – (9708/12_Winter_2022_Q5) – *Basic Economic Ideas And Resource Allocation*

B

159 – (9708/13_Winter_2022_Q5) – *Basic Economic Ideas And Resource Allocation*

C

160 – (9708/11_Summer_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

A

161 – (9708/11_Summer_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

D

162 – (9708/11_Summer_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

C

163 – (9708/11_Summer_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

A

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164 – (9708/12_Summer_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

B

165 – (9708/12_Summer_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

D

166 – (9708/12_Summer_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

A

167 – (9708/13_Summer_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

C

168 – (9708/13_Summer_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

D

169 – (9708/13_Summer_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

A

170 – (9708/11_Winter_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

B

171 – (9708/11_Winter_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

B

172 – (9708/11_Winter_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

C

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173 – (9708/11_Winter_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

C

174 – (9708/12_Winter_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

D

175 – (9708/12_Winter_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

D

176 – (9708/12_Winter_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

C

177 – (9708/12_Winter_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

B

178 – (9708/13_Winter_2023_Q1) – *Basic Economic Ideas And Resource Allocation*

D

179 – (9708/13_Winter_2023_Q2) – *Basic Economic Ideas And Resource Allocation*

C

180 – (9708/13_Winter_2023_Q3) – *Basic Economic Ideas And Resource Allocation*

D

181 – (9708/13_Winter_2023_Q4) – *Basic Economic Ideas And Resource Allocation*

D

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1 – (9708/11_Summer_2017_Q5) – *The Price System And The Micro Economy*

C

2 – (9708/13_Summer_2017_Q5) – *The Price System And The Micro Economy*

A

3 – (9708/11_Summer_2017_Q6) – *The Price System And The Micro Economy*

C

4 – (9708/12_Summer_2017_Q6) – *The Price System And The Micro Economy*

A

5 – (9708/13_Summer_2017_Q6) – *The Price System And The Micro Economy*

A

6 – (9708/11_Summer_2017_Q7) – *The Price System And The Micro Economy*

A

7 – (9708/12_Summer_2017_Q7) – *The Price System And The Micro Economy*

A

8 – (9708/13_Summer_2017_Q7) – *The Price System And The Micro Economy*

C

9 – (9708/11_Summer_2017_Q8) – *The Price System And The Micro Economy*

B

10 – (9708/12_Summer_2017_Q8) – *The Price System And The Micro Economy*

C

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11 – (9708/13_Summer_2017_Q8) – *The Price System And The Micro Economy*

C

12 – (9708/11_Summer_2017_Q9) – *The Price System And The Micro Economy*

C

13 – (9708/12_Summer_2017_Q9) – *The Price System And The Micro Economy*

D

14 – (9708/13_Summer_2017_Q9) – *The Price System And The Micro Economy*

C

15 – (9708/11_Summer_2017_Q10) – *The Price System And The Micro Economy*

D

16 – (9708/12_Summer_2017_Q10) – *The Price System And The Micro Economy*

C

17 – (9708/13_Summer_2017_Q10) – *The Price System And The Micro Economy*

B

18 – (9708/11_Summer_2017_Q11) – *The Price System And The Micro Economy*

C

19 – (9708/13_Summer_2017_Q11) – *The Price System And The Micro Economy*

B

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20 – (9708/12_Summer_2017_Q12) – *The Price System And The Micro Economy*

B

21 – (9708/13_Summer_2017_Q12) – *The Price System And The Micro Economy*

A

22 – (9708/12_Summer_2017_Q13) – *The Price System And The Micro Economy*

D

23 – (9708/13_Summer_2017_Q13) – *The Price System And The Micro Economy*

B

24 – (9708/11_Summer_2017_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

D

25 – (9708/11_Summer_2017_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

B

26 – (9708/13_Winter_2017_Q1) – *The Price System And The Micro Economy*

B

27 – (9708/11_Winter_2017_Q2) – *The Price System And The Micro Economy*

A

28 – (9708/11_Winter_2017_Q5) – *The Price System And The Micro Economy*

D

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29 – (9708/12_Winter_2017_Q5) – *The Price System And The Micro Economy*

D

30 – (9708/13_Winter_2017_Q5) – *The Price System And The Micro Economy*

D

31 – (9708/11_Winter_2017_Q6) – *The Price System And The Micro Economy*

C

32 – (9708/12_Winter_2017_Q6) – *The Price System And The Micro Economy*

D

33 – (9708/13_Winter_2017_Q6) – *The Price System And The Micro Economy*

D

34 – (9708/11_Winter_2017_Q7) – *The Price System And The Micro Economy*

B

35 – (9708/12_Winter_2017_Q7) – *The Price System And The Micro Economy*

B

36 – (9708/13_Winter_2017_Q7) – *The Price System And The Micro Economy*

D

37 – (9708/11_Winter_2017_Q8) – *The Price System And The Micro Economy*

D

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38 – (9708/12_Winter_2017_Q8) – *The Price System And The Micro Economy*

C

39 – (9708/13_Winter_2017_Q8) – *The Price System And The Micro Economy*

A

40 – (9708/11_Winter_2017_Q9) – *The Price System And The Micro Economy*

C

41 – (9708/12_Winter_2017_Q9) – *The Price System And The Micro Economy*

A

42 – (9708/13_Winter_2017_Q9) – *The Price System And The Micro Economy*

B

43 – (9708/11_Winter_2017_Q10) – *The Price System And The Micro Economy*

A

44 – (9708/12_Winter_2017_Q10) – *The Price System And The Micro Economy*

B

45 – (9708/13_Winter_2017_Q10) – *The Price System And The Micro Economy*

D

46 – (9708/11_Winter_2017_Q11) – *The Price System And The Micro Economy*

D

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47 – (9708/12_Winter_2017_Q11) – *The Price System And The Micro Economy*

A

48 – (9708/13_Winter_2017_Q11) – *The Price System And The Micro Economy*

B

49 – (9708/11_Winter_2017_Q12) – *The Price System And The Micro Economy*

D

50 – (9708/12_Winter_2017_Q12) – *The Price System And The Micro Economy*

B

51 – (9708/13_Winter_2017_Q12) – *The Price System And The Micro Economy*

B

52 – (9708/11_Winter_2017_Q13) – *The Price System And The Micro Economy*

B

53 – (9708/12_Winter_2017_Q13) – *The Price System And The Micro Economy*

A

54 – (9708/13_Winter_2017_Q13) – *The Price System And The Micro Economy*

C

55 – (9708/12_Winter_2017_Q16) – *The Price System And The Micro Economy*

D

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56 – (9708/11_Summer_2018_Q5) – *The Price System And The Micro Economy*

A

57 – (9708/12_Summer_2018_Q5) – *The Price System And The Micro Economy*

D

58 – (9708/13_Summer_2018_Q5) – *The Price System And The Micro Economy*

A

59 – (9708/11_Summer_2018_Q6) – *The Price System And The Micro Economy*

C

60 – (9708/12_Summer_2018_Q6) – *The Price System And The Micro Economy*

C

61 – (9708/13_Summer_2018_Q6) – *The Price System And The Micro Economy*

D

62 – (9708/11_Summer_2018_Q7) – *The Price System And The Micro Economy*

D

63 – (9708/12_Summer_2018_Q7) – *The Price System And The Micro Economy*

D

64 – (9708/13_Summer_2018_Q7) – *The Price System And The Micro Economy*

A

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65 – (9708/11_Summer_2018_Q8) – *The Price System And The Micro Economy*

C

66 – (9708/12_Summer_2018_Q8) – *The Price System And The Micro Economy*

D

67 – (9708/13_Summer_2018_Q8) – *The Price System And The Micro Economy*

D

68 – (9708/11_Summer_2018_Q9) – *The Price System And The Micro Economy*

B

69 – (9708/13_Summer_2018_Q9) – *The Price System And The Micro Economy*

B

70 – (9708/11_Summer_2018_Q10) – *The Price System And The Micro Economy*

C

71 – (9708/13_Summer_2018_Q10) – *The Price System And The Micro Economy*

B

72 – (9708/11_Summer_2018_Q11) – *The Price System And The Micro Economy*

B

73 – (9708/12_Summer_2018_Q11) – *The Price System And The Micro Economy*

C

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74 – (9708/12_Summer_2018_Q12) – *The Price System And The Micro Economy*

C

75 – (9708/13_Summer_2018_Q12) – *The Price System And The Micro Economy*

A

76 – (9708/11_Summer_2018_Q13) – *The Price System And The Micro Economy*

B

77 – (9708/13_Summer_2018_Q13) – *The Price System And The Micro Economy*

B

78 – (9708/13_Summer_2018_Q27) – *The Price System And The Micro Economy, The Macro Economy*

B

79 – (9708/11_Winter_2018_Q1) – *The Price System And The Micro Economy*

A

80 – (9708/11_Winter_2018_Q5) – *The Price System And The Micro Economy*

C

81 – (9708/12_Winter_2018_Q5) – *The Price System And The Micro Economy*

B

82 – (9708/13_Winter_2018_Q5) – *The Price System And The Micro Economy*

B

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83 – (9708/11_Winter_2018_Q6) – *The Price System And The Micro Economy*

A

84 – (9708/12_Winter_2018_Q6) – *The Price System And The Micro Economy*

D

85 – (9708/11_Winter_2018_Q7) – *The Price System And The Micro Economy*

C

86 – (9708/12_Winter_2018_Q7) – *The Price System And The Micro Economy*

C

87 – (9708/11_Winter_2018_Q8) – *The Price System And The Micro Economy*

C

88 – (9708/12_Winter_2018_Q8) – *The Price System And The Micro Economy*

C

89 – (9708/12_Winter_2018_Q9) – *The Price System And The Micro Economy*

D

90 – (9708/11_Winter_2018_Q10) – *The Price System And The Micro Economy*

B

91 – (9708/12_Winter_2018_Q10) – *The Price System And The Micro Economy*

D

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92 – (9708/11_Winter_2018_Q11) – *The Price System And The Micro Economy*

B

93 – (9708/12_Winter_2018_Q11) – *The Price System And The Micro Economy*

D

94 – (9708/13_Winter_2018_Q11) – *The Price System And The Micro Economy*

B

95 – (9708/11_Winter_2018_Q12) – *The Price System And The Micro Economy*

D

96 – (9708/12_Winter_2018_Q12) – *The Price System And The Micro Economy*

C

97 – (9708/11_Winter_2018_Q13) – *The Price System And The Micro Economy*

A

98 – (9708/12_Winter_2018_Q13) – *The Price System And The Micro Economy*

A

99 – (9708/11_Winter_2018_Q14) – *The Price System And The Micro Economy*

C

100 – (9708/11_Winter_2018_Q27) – *The Macro Economy, The Price System And The Micro Economy*

A

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101 – (9708/12_Summer_2019_Q5) – *The Price System And The Micro Economy*

A

102 – (9708/13_Summer_2019_Q5) – *The Price System And The Micro Economy*

A

103 – (9708/11_Summer_2019_Q6) – *The Price System And The Micro Economy*

B

104 – (9708/12_Summer_2019_Q6) – *The Price System And The Micro Economy*

105 – (9708/13_Summer_2019_Q6) – *The Price System And The Micro Economy*

B

106 – (9708/11_Summer_2019_Q7) – *The Price System And The Micro Economy*

C

107 – (9708/12_Summer_2019_Q7) – *The Price System And The Micro Economy*

B

108 – (9708/13_Summer_2019_Q7) – *The Price System And The Micro Economy*

D

109 – (9708/11_Summer_2019_Q8) – *The Price System And The Micro Economy*

A

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110 – (9708/12_Summer_2019_Q8) – *The Price System And The Micro Economy*

C

111 – (9708/13_Summer_2019_Q8) – *The Price System And The Micro Economy*

B

112 – (9708/11_Summer_2019_Q9) – *The Price System And The Micro Economy*

D

113 – (9708/12_Summer_2019_Q9) – *The Price System And The Micro Economy*

A

114 – (9708/13_Summer_2019_Q9) – *The Price System And The Micro Economy*

C

115 – (9708/11_Summer_2019_Q10) – *The Price System And The Micro Economy*

D

116 – (9708/12_Summer_2019_Q10) – *The Price System And The Micro Economy*

D

117 – (9708/13_Summer_2019_Q10) – *The Price System And The Micro Economy*

A

118 – (9708/11_Summer_2019_Q11) – *The Price System And The Micro Economy*

C

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119 – (9708/12_Summer_2019_Q11) – *The Price System And The Micro Economy*

A

120 – (9708/13_Summer_2019_Q11) – *The Price System And The Micro Economy*

B

121 – (9708/11_Summer_2019_Q12) – *The Price System And The Micro Economy*

A

122 – (9708/12_Summer_2019_Q12) – *The Price System And The Micro Economy*

A

123 – (9708/13_Summer_2019_Q12) – *The Price System And The Micro Economy*

D

124 – (9708/11_Summer_2019_Q13) – *The Price System And The Micro Economy*

C

125 – (9708/12_Summer_2019_Q13) – *The Price System And The Micro Economy*

A

126 – (9708/13_Summer_2019_Q13) – *The Price System And The Micro Economy*

C

127 – (9708/13_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention, The Price System And The Micro Economy*

C

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128 – (9708/11_Winter_2019_Q5) – *The Price System And The Micro Economy*

A

129 – (9708/12_Winter_2019_Q5) – *The Price System And The Micro Economy*

C

130 – (9708/13_Winter_2019_Q5) – *The Price System And The Micro Economy*

D

131 – (9708/11_Winter_2019_Q6) – *The Price System And The Micro Economy*

D

132 – (9708/12_Winter_2019_Q6) – *The Price System And The Micro Economy*

C

133 – (9708/13_Winter_2019_Q6) – *The Price System And The Micro Economy*

D

134 – (9708/11_Winter_2019_Q7) – *The Price System And The Micro Economy*

D

135 – (9708/12_Winter_2019_Q7) – *The Price System And The Micro Economy*

B

136 – (9708/13_Winter_2019_Q7) – *The Price System And The Micro Economy*

A

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137 – (9708/11_Winter_2019_Q8) – *The Price System And The Micro Economy*

C

138 – (9708/12_Winter_2019_Q8) – *The Price System And The Micro Economy*

D

139 – (9708/13_Winter_2019_Q8) – *The Price System And The Micro Economy*

A

140 – (9708/11_Winter_2019_Q9) – *The Price System And The Micro Economy*

A

141 – (9708/12_Winter_2019_Q9) – *The Price System And The Micro Economy*

A

142 – (9708/13_Winter_2019_Q9) – *The Price System And The Micro Economy*

C

143 – (9708/11_Winter_2019_Q10) – *The Price System And The Micro Economy*

C

144 – (9708/13_Winter_2019_Q10) – *The Price System And The Micro Economy*

B

145 – (9708/11_Winter_2019_Q11) – *The Price System And The Micro Economy*

D

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146 – (9708/13_Winter_2019_Q11) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

C

147 – (9708/11_Winter_2019_Q12) – *The Price System And The Micro Economy*

C

148 – (9708/12_Winter_2019_Q12) – *The Price System And The Micro Economy*

C

149 – (9708/11_Winter_2019_Q13) – *The Price System And The Micro Economy*

A

150 – (9708/12_Winter_2019_Q13) – *The Price System And The Micro Economy*

A

151 – (9708/13_Winter_2019_Q15) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

B

152 – (9708/12_Winter_2019_Q16) – *The Price System And The Micro Economy*

D

153 – (9708/13_Winter_2019_Q16) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

C

154 – (9708/11_Winter_2019_Q18) – *The Price System And The Micro Economy*

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155 – (9708/12_Winter_2019_Q18) – *The Price System And The Micro Economy*

B

156 – (9708/11_Summer_2020_Q5) – *The Price System And The Micro Economy*

C

157 – (9708/12_Summer_2020_Q5) – *The Price System And The Micro Economy*

B

158 – (9708/13_Summer_2020_Q5) – *The Price System And The Micro Economy*

B

159 – (9708/12_Summer_2020_Q6) – *The Price System And The Micro Economy*

D

160 – (9708/13_Summer_2020_Q6) – *The Price System And The Micro Economy*

A

161 – (9708/11_Summer_2020_Q7) – *The Price System And The Micro Economy*

A

162 – (9708/12_Summer_2020_Q7) – *The Price System And The Micro Economy*

C

163 – (9708/13_Summer_2020_Q7) – *The Price System And The Micro Economy*

B

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164 – (9708/11_Summer_2020_Q8) – *The Price System And The Micro Economy*

D

165 – (9708/12_Summer_2020_Q8) – *The Price System And The Micro Economy*

D

166 – (9708/13_Summer_2020_Q8) – *The Price System And The Micro Economy*

A

167 – (9708/12_Summer_2020_Q9) – *The Price System And The Micro Economy*

A

168 – (9708/13_Summer_2020_Q9) – *The Price System And The Micro Economy*

A

169 – (9708/11_Summer_2020_Q10) – *The Price System And The Micro Economy*

B

170 – (9708/12_Summer_2020_Q10) – *The Price System And The Micro Economy*

D

171 – (9708/11_Summer_2020_Q11) – *The Price System And The Micro Economy*

B

172 – (9708/12_Summer_2020_Q11) – *The Price System And The Micro Economy*

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174 – (9708/11_Summer_2020_Q12) – *The Price System And The Micro Economy*

D

175 – (9708/12_Summer_2020_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

176 – (9708/13_Summer_2020_Q12) – *The Price System And The Micro Economy*

C

177 – (9708/11_Summer_2020_Q13) – *The Price System And The Micro Economy*

D

178 – (9708/12_Summer_2020_Q13) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

C

179 – (9708/13_Summer_2020_Q13) – *The Price System And The Micro Economy*

A

180 – (9708/11_Winter_2020_Q5) – *The Price System And The Micro Economy*

C

181 – (9708/12_Winter_2020_Q5) – *The Price System And The Micro Economy*

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182 – (9708/13_Winter_2020_Q5) – *The Price System And The Micro Economy*

B

183 – (9708/11_Winter_2020_Q6) – *The Price System And The Micro Economy*

A

184 – (9708/12_Winter_2020_Q6) – *The Price System And The Micro Economy*

C

185 – (9708/13_Winter_2020_Q6) – *The Price System And The Micro Economy*

D

186 – (9708/11_Winter_2020_Q7) – *The Price System And The Micro Economy*

C

187 – (9708/12_Winter_2020_Q7) – *The Price System And The Micro Economy*

B

188 – (9708/13_Winter_2020_Q7) – *The Price System And The Micro Economy*

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189 – (9708/11_Winter_2020_Q8) – *The Price System And The Micro Economy*

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190 – (9708/12_Winter_2020_Q8) – *The Price System And The Micro Economy*

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191 – (9708/13_Winter_2020_Q8) – *The Price System And The Micro Economy*

C

192 – (9708/11_Winter_2020_Q9) – *The Price System And The Micro Economy*

B

193 – (9708/12_Winter_2020_Q9) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

C

194 – (9708/13_Winter_2020_Q9) – *The Price System And The Micro Economy*

C

195 – (9708/12_Winter_2020_Q10) – *The Price System And The Micro Economy*

D

196 – (9708/13_Winter_2020_Q10) – *The Price System And The Micro Economy*

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197 – (9708/11_Winter_2020_Q11) – *The Price System And The Micro Economy*

D

198 – (9708/12_Winter_2020_Q11) – *The Price System And The Micro Economy*

C

199 – (9708/13_Winter_2020_Q11) – *The Price System And The Micro Economy*

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200 – (9708/11_Winter_2020_Q12) – *The Price System And The Micro Economy*

B

201 – (9708/12_Winter_2020_Q12) – *The Price System And The Micro Economy*

C

202 – (9708/13_Winter_2020_Q12) – *The Price System And The Micro Economy*

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203 – (9708/11_Winter_2020_Q13) – *The Price System And The Micro Economy*

C

204 – (9708/12_Winter_2020_Q13) – *The Price System And The Micro Economy*

D

205 – (9708/13_Winter_2020_Q13) – *The Price System And The Micro Economy*

D

206 – (9708/13_Winter_2020_Q14) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

B

207 – (9708/12_Winter_2020_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

208 – (9708/12_Winter_2020_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

C

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209 – (9708/12_Summer_2021_Q5) – *The Price System And The Micro Economy*

B

210 – (9708/13_Summer_2021_Q5) – *The Price System And The Micro Economy*

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211 – (9708/12_Summer_2021_Q6) – *The Price System And The Micro Economy*

D

212 – (9708/13_Summer_2021_Q6) – *The Price System And The Micro Economy*

C

213 – (9708/12_Summer_2021_Q7) – *The Price System And The Micro Economy*

B

214 – (9708/13_Summer_2021_Q7) – *The Price System And The Micro Economy*

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215 – (9708/12_Summer_2021_Q8) – *The Price System And The Micro Economy*

D

216 – (9708/13_Summer_2021_Q8) – *The Price System And The Micro Economy*

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217 – (9708/12_Summer_2021_Q9) – *The Price System And The Micro Economy*

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218 – (9708/13_Summer_2021_Q9) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

219 – (9708/12_Summer_2021_Q10) – *The Price System And The Micro Economy*

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220 – (9708/12_Summer_2021_Q11) – *The Price System And The Micro Economy*

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221 – (9708/13_Summer_2021_Q11) – *The Price System And The Micro Economy*

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222 – (9708/12_Summer_2021_Q12) – *The Price System And The Micro Economy*

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223 – (9708/13_Summer_2021_Q12) – *The Price System And The Micro Economy*

C

224 – (9708/12_Summer_2021_Q13) – *The Price System And The Micro Economy*

A

225 – (9708/13_Summer_2021_Q13) – *The Price System And The Micro Economy*

C

226 – (9708/12_Summer_2021_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

C

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227 – (9708/12_Summer_2021_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

D

228 – (9708/12_Summer_2021_Q19) – *The Price System And The Micro Economy*

A

229 – (9708/13_Summer_2021_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

A

230 – (9708/11_Winter_2021_Q5) – *The Price System And The Micro Economy*

D

231 – (9708/12_Winter_2021_Q5) – *The Price System And The Micro Economy*

C

232 – (9708/13_Winter_2021_Q5) – *The Price System And The Micro Economy*

D

233 – (9708/11_Winter_2021_Q6) – *The Price System And The Micro Economy*

D

234 – (9708/12_Winter_2021_Q6) – *The Price System And The Micro Economy*

D

235 – (9708/13_Winter_2021_Q6) – *The Price System And The Micro Economy*

C

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236 – (9708/11_Winter_2021_Q7) – *The Price System And The Micro Economy*

B

237 – (9708/13_Winter_2021_Q7) – *The Price System And The Micro Economy*

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238 – (9708/11_Winter_2021_Q8) – *The Price System And The Micro Economy*

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239 – (9708/12_Winter_2021_Q8) – *The Price System And The Micro Economy*

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240 – (9708/13_Winter_2021_Q8) – *The Price System And The Micro Economy*

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241 – (9708/11_Winter_2021_Q9) – *The Price System And The Micro Economy*

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242 – (9708/12_Winter_2021_Q9) – *The Price System And The Micro Economy*

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243 – (9708/13_Winter_2021_Q9) – *The Price System And The Micro Economy*

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244 – (9708/11_Winter_2021_Q10) – *The Price System And The Micro Economy*

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245 – (9708/12_Winter_2021_Q10) – *The Price System And The Micro Economy*

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246 – (9708/13_Winter_2021_Q10) – *The Price System And The Micro Economy*

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247 – (9708/11_Winter_2021_Q11) – *The Price System And The Micro Economy*

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248 – (9708/12_Winter_2021_Q11) – *The Price System And The Micro Economy*

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249 – (9708/13_Winter_2021_Q11) – *The Price System And The Micro Economy*

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250 – (9708/12_Winter_2021_Q12) – *The Price System And The Micro Economy*

D

251 – (9708/13_Winter_2021_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

252 – (9708/11_Winter_2021_Q13) – *The Price System And The Micro Economy*

C

253 – (9708/12_Winter_2021_Q13) – *The Price System And The Micro Economy*

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254 – (9708/13_Winter_2021_Q13) – *The Price System And The Micro Economy*

C

255 – (9708/13_Winter_2021_Q14) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

A

256 – (9708/12_Winter_2021_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

257 – (9708/13_Winter_2021_Q20) – *The Price System And The Micro Economy, Government Microeconomic Intervention, Government Macro Intervention*

B

258 – (9708/11_Summer_2022_Q5) – *The Price System And The Micro Economy*

B

259 – (9708/13_Summer_2022_Q5) – *The Price System And The Micro Economy*

A

260 – (9708/14_Summer_2022_Q5) – *The Price System And The Micro Economy*

D

261 – (9708/11_Summer_2022_Q6) – *The Price System And The Micro Economy*

B

262 – (9708/12_Summer_2022_Q6) – *The Price System And The Micro Economy*

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263 – (9708/13_Summer_2022_Q6) – *The Price System And The Micro Economy*

C

264 – (9708/14_Summer_2022_Q6) – *The Price System And The Micro Economy*

B

265 – (9708/11_Summer_2022_Q7) – *The Price System And The Micro Economy*

C

266 – (9708/12_Summer_2022_Q7) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

C

267 – (9708/13_Summer_2022_Q7) – *The Price System And The Micro Economy*

A

268 – (9708/14_Summer_2022_Q7) – *The Price System And The Micro Economy*

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269 – (9708/11_Summer_2022_Q8) – *The Price System And The Micro Economy*

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270 – (9708/12_Summer_2022_Q8) – *The Price System And The Micro Economy*

C

271 – (9708/13_Summer_2022_Q8) – *The Price System And The Micro Economy*

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272 – (9708/14_Summer_2022_Q8) – *The Price System And The Micro Economy*

A

273 – (9708/11_Summer_2022_Q9) – *The Price System And The Micro Economy*

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274 – (9708/12_Summer_2022_Q9) – *The Price System And The Micro Economy*

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275 – (9708/13_Summer_2022_Q9) – *The Price System And The Micro Economy*

B

276 – (9708/14_Summer_2022_Q9) – *The Price System And The Micro Economy*

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277 – (9708/11_Summer_2022_Q10) – *The Price System And The Micro Economy*

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278 – (9708/12_Summer_2022_Q10) – *The Price System And The Micro Economy*

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279 – (9708/13_Summer_2022_Q10) – *The Price System And The Micro Economy*

B

280 – (9708/14_Summer_2022_Q10) – *The Price System And The Micro Economy*

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283 – (9708/14_Summer_2022_Q11) – *The Price System And The Micro Economy*

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284 – (9708/11_Summer_2022_Q12) – *The Price System And The Micro Economy*

C

285 – (9708/12_Summer_2022_Q12) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

A

286 – (9708/13_Summer_2022_Q12) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy*

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287 – (9708/14_Summer_2022_Q12) – *The Price System And The Micro Economy*

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288 – (9708/11_Summer_2022_Q13) – *The Price System And The Micro Economy*

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289 – (9708/12_Summer_2022_Q13) – *The Price System And The Micro Economy*

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291 – (9708/14_Summer_2022_Q13) – *The Price System And The Micro Economy*

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292 – (9708/12_Summer_2022_Q15) – *The Price System And The Micro Economy*

D

293 – (9708/14_Summer_2022_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

B

294 – (9708/12_Summer_2022_Q24) – *The Price System And The Micro Economy, The Macro Economy*

A

295 – (9708/11_Winter_2022_Q2) – *The Price System And The Micro Economy*

B

296 – (9708/11_Winter_2022_Q5) – *The Price System And The Micro Economy*

A

297 – (9708/11_Winter_2022_Q6) – *The Price System And The Micro Economy*

C

298 – (9708/12_Winter_2022_Q6) – *The Price System And The Micro Economy*

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299 – (9708/13_Winter_2022_Q6) – *The Price System And The Micro Economy*

C

300 – (9708/11_Winter_2022_Q7) – *The Price System And The Micro Economy*

B

301 – (9708/12_Winter_2022_Q7) – *The Price System And The Micro Economy*

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302 – (9708/13_Winter_2022_Q7) – *The Price System And The Micro Economy*

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303 – (9708/11_Winter_2022_Q8) – *The Price System And The Micro Economy*

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304 – (9708/12_Winter_2022_Q8) – *The Price System And The Micro Economy*

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305 – (9708/13_Winter_2022_Q8) – *The Price System And The Micro Economy*

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306 – (9708/11_Winter_2022_Q9) – *The Price System And The Micro Economy*

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307 – (9708/12_Winter_2022_Q9) – *The Price System And The Micro Economy*

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308 – (9708/13_Winter_2022_Q9) – *The Price System And The Micro Economy*

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309 – (9708/11_Winter_2022_Q10) – *The Price System And The Micro Economy*

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310 – (9708/12_Winter_2022_Q10) – *The Price System And The Micro Economy*

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311 – (9708/13_Winter_2022_Q10) – *The Price System And The Micro Economy*

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312 – (9708/11_Winter_2022_Q11) – *The Price System And The Micro Economy*

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313 – (9708/12_Winter_2022_Q11) – *The Price System And The Micro Economy*

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314 – (9708/13_Winter_2022_Q11) – *The Price System And The Micro Economy*

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315 – (9708/11_Winter_2022_Q12) – *The Price System And The Micro Economy*

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316 – (9708/12_Winter_2022_Q12) – *The Price System And The Micro Economy*

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317 – (9708/13_Winter_2022_Q12) – *The Price System And The Micro Economy*

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318 – (9708/11_Winter_2022_Q13) – *The Price System And The Micro Economy*

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319 – (9708/12_Winter_2022_Q13) – *The Price System And The Micro Economy*

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320 – (9708/13_Winter_2022_Q13) – *The Price System And The Micro Economy*

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321 – (9708/12_Winter_2022_Q14) – *The Price System And The Micro Economy*

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322 – (9708/13_Winter_2022_Q14) – *The Price System And The Micro Economy*

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323 – (9708/11_Summer_2023_Q5) – *The Price System And The Micro Economy*

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324 – (9708/11_Summer_2023_Q6) – *The Price System And The Micro Economy*

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325 – (9708/11_Summer_2023_Q7) – *The Price System And The Micro Economy*

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327 – (9708/11_Summer_2023_Q9) – *The Price System And The Micro Economy*

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328 – (9708/11_Summer_2023_Q10) – *The Price System And The Micro Economy*

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329 – (9708/11_Summer_2023_Q13) – *The Price System And The Micro Economy*

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330 – (9708/11_Summer_2023_Q16) – *The Price System And The Micro Economy*

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331 – (9708/12_Summer_2023_Q5) – *The Price System And The Micro Economy*

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332 – (9708/12_Summer_2023_Q6) – *The Price System And The Micro Economy*

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333 – (9708/12_Summer_2023_Q8) – *The Price System And The Micro Economy*

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334 – (9708/12_Summer_2023_Q9) – *The Price System And The Micro Economy*

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335 – (9708/12_Summer_2023_Q10) – *The Price System And The Micro Economy*

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336 – (9708/12_Summer_2023_Q11) – *The Price System And The Micro Economy*

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337 – (9708/12_Summer_2023_Q12) – *The Price System And The Micro Economy*

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338 – (9708/12_Summer_2023_Q13) – *The Price System And The Micro Economy*

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339 – (9708/12_Summer_2023_Q14) – *The Price System And The Micro Economy*

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340 – (9708/12_Summer_2023_Q15) – *The Price System And The Micro Economy*

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341 – (9708/13_Summer_2023_Q5) – *The Price System And The Micro Economy*

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342 – (9708/13_Summer_2023_Q6) – *The Price System And The Micro Economy*

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343 – (9708/13_Summer_2023_Q7) – *The Price System And The Micro Economy*

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344 – (9708/13_Summer_2023_Q8) – *The Price System And The Micro Economy*

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345 – (9708/13_Summer_2023_Q9) – *The Price System And The Micro Economy*

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346 – (9708/13_Summer_2023_Q10) – *The Price System And The Micro Economy*

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347 – (9708/13_Summer_2023_Q11) – *The Price System And The Micro Economy*

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348 – (9708/13_Summer_2023_Q12) – *The Price System And The Micro Economy*

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349 – (9708/13_Summer_2023_Q13) – *The Price System And The Micro Economy*

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350 – (9708/13_Summer_2023_Q14) – *The Price System And The Micro Economy*

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351 – (9708/11_Winter_2023_Q5) – *The Price System And The Micro Economy*

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352 – (9708/11_Winter_2023_Q6) – *The Price System And The Micro Economy*

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353 – (9708/11_Winter_2023_Q7) – *The Price System And The Micro Economy*

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354 – (9708/11_Winter_2023_Q8) – *The Price System And The Micro Economy*

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355 – (9708/11_Winter_2023_Q9) – *The Price System And The Micro Economy*

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356 – (9708/11_Winter_2023_Q10) – *The Price System And The Micro Economy*

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357 – (9708/11_Winter_2023_Q11) – *The Price System And The Micro Economy*

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358 – (9708/11_Winter_2023_Q12) – *The Price System And The Micro Economy*

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359 – (9708/11_Winter_2023_Q13) – *The Price System And The Micro Economy*

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360 – (9708/12_Winter_2023_Q5) – *The Price System And The Micro Economy*

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361 – (9708/12_Winter_2023_Q6) – *The Price System And The Micro Economy*

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364 – (9708/12_Winter_2023_Q9) – *The Price System And The Micro Economy*

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365 – (9708/12_Winter_2023_Q12) – *The Price System And The Micro Economy*

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366 – (9708/12_Winter_2023_Q13) – *The Price System And The Micro Economy*

B

367 – (9708/13_Winter_2023_Q5) – *The Price System And The Micro Economy*

B

368 – (9708/13_Winter_2023_Q6) – *The Price System And The Micro Economy*

A

369 – (9708/13_Winter_2023_Q7) – *The Price System And The Micro Economy*

B

370 – (9708/13_Winter_2023_Q8) – *The Price System And The Micro Economy*

B

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371 – (9708/13_Winter_2023_Q9) – *The Price System And The Micro Economy*

C

372 – (9708/13_Winter_2023_Q10) – *The Price System And The Micro Economy*

A

373 – (9708/13_Winter_2023_Q11) – *The Price System And The Micro Economy*

B

374 – (9708/13_Winter_2023_Q12) – *The Price System And The Micro Economy*

C

375 – (9708/13_Winter_2023_Q13) – *The Price System And The Micro Economy*

D

376 – (9708/13_Winter_2023_Q14) – *The Price System And The Micro Economy*

C

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1 – (9708/12_Summer_2017_Q11) – *Government Microeconomic Intervention*

B

2 – (9708/11_Summer_2017_Q12) – *Government Microeconomic Intervention*

C

3 – (9708/11_Summer_2017_Q13) – *Government Microeconomic Intervention*

D

4 – (9708/11_Summer_2017_Q14) – *Government Microeconomic Intervention*

D

5 – (9708/12_Summer_2017_Q14) – *Government Microeconomic Intervention*

B

6 – (9708/13_Summer_2017_Q14) – *Government Microeconomic Intervention*

D

7 – (9708/11_Summer_2017_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

D

8 – (9708/12_Summer_2017_Q15) – *Government Microeconomic Intervention*

C

9 – (9708/13_Summer_2017_Q15) – *Government Microeconomic Intervention*

B

10 – (9708/11_Summer_2017_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

B

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11 – (9708/12_Summer_2017_Q16) – *Government Microeconomic Intervention*

A

12 – (9708/13_Summer_2017_Q16) – *Government Microeconomic Intervention*

C

13 – (9708/11_Summer_2017_Q17) – *Government Microeconomic Intervention*

C

14 – (9708/12_Summer_2017_Q17) – *Government Microeconomic Intervention*

B

15 – (9708/13_Summer_2017_Q17) – *Government Microeconomic Intervention*

C

16 – (9708/11_Summer_2017_Q18) – *Government Microeconomic Intervention*

A

17 – (9708/12_Summer_2017_Q18) – *Government Microeconomic Intervention*

A

18 – (9708/13_Summer_2017_Q18) – *Government Microeconomic Intervention*

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19 – (9708/11_Winter_2017_Q14) – *Government Microeconomic Intervention*

A

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20 – (9708/12_Winter_2017_Q14) – *Government Microeconomic Intervention*

C

21 – (9708/13_Winter_2017_Q14) – *Government Microeconomic Intervention*

B

22 – (9708/11_Winter_2017_Q15) – *Government Microeconomic Intervention*

C

23 – (9708/12_Winter_2017_Q15) – *Government Microeconomic Intervention*

A

24 – (9708/13_Winter_2017_Q15) – *Government Microeconomic Intervention*

C

25 – (9708/11_Winter_2017_Q16) – *Government Microeconomic Intervention*

D

26 – (9708/13_Winter_2017_Q16) – *Government Microeconomic Intervention*

C

27 – (9708/11_Winter_2017_Q17) – *Government Microeconomic Intervention*

A

28 – (9708/13_Winter_2017_Q17) – *Government Microeconomic Intervention*

B

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29 – (9708/11_Winter_2017_Q18) – *Government Microeconomic Intervention*

D

30 – (9708/12_Winter_2017_Q18) – *Government Microeconomic Intervention*

D

31 – (9708/13_Winter_2017_Q18) – *Government Microeconomic Intervention*

C

32 – (9708/12_Winter_2017_Q20) – *Government Microeconomic Intervention*

D

33 – (9708/11_Winter_2017_Q28) – *Government Microeconomic Intervention, The Macro Economy*

B

34 – (9708/12_Summer_2018_Q9) – *Government Microeconomic Intervention*

A

35 – (9708/13_Summer_2018_Q11) – *Government Microeconomic Intervention*

C

36 – (9708/11_Summer_2018_Q12) – *Government Microeconomic Intervention*

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37 – (9708/12_Summer_2018_Q13) – *Government Microeconomic Intervention*

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38 – (9708/11_Summer_2018_Q14) – *Government Microeconomic Intervention*

A

39 – (9708/12_Summer_2018_Q14) – *Government Microeconomic Intervention*

A

40 – (9708/13_Summer_2018_Q14) – *Government Microeconomic Intervention*

D

41 – (9708/11_Summer_2018_Q15) – *Government Microeconomic Intervention*

A

42 – (9708/12_Summer_2018_Q15) – *Government Microeconomic Intervention*

B

43 – (9708/13_Summer_2018_Q15) – *Government Microeconomic Intervention*

B

44 – (9708/11_Summer_2018_Q16) – *Government Microeconomic Intervention*

B

45 – (9708/12_Summer_2018_Q16) – *Government Microeconomic Intervention*

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46 – (9708/13_Summer_2018_Q16) – *Government Microeconomic Intervention*

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47 – (9708/11_Summer_2018_Q17) – *Government Microeconomic Intervention*

C

48 – (9708/12_Summer_2018_Q17) – *Government Microeconomic Intervention*

D

49 – (9708/13_Summer_2018_Q17) – *Government Microeconomic Intervention*

D

50 – (9708/11_Summer_2018_Q18) – *Government Microeconomic Intervention*

A

51 – (9708/12_Summer_2018_Q18) – *Government Microeconomic Intervention*

C

52 – (9708/13_Summer_2018_Q18) – *Government Microeconomic Intervention*

B

53 – (9708/13_Winter_2018_Q6) – *Government Microeconomic Intervention*

D

54 – (9708/13_Winter_2018_Q7) – *Government Microeconomic Intervention*

B

55 – (9708/13_Winter_2018_Q8) – *Government Microeconomic Intervention*

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56 – (9708/11_Winter_2018_Q9) – *Government Microeconomic Intervention*

D

57 – (9708/13_Winter_2018_Q9) – *Government Microeconomic Intervention*

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58 – (9708/13_Winter_2018_Q12) – *Government Microeconomic Intervention*

D

59 – (9708/13_Winter_2018_Q13) – *Government Microeconomic Intervention*

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60 – (9708/12_Winter_2018_Q14) – *Government Microeconomic Intervention*

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61 – (9708/13_Winter_2018_Q14) – *Government Microeconomic Intervention*

A

62 – (9708/11_Winter_2018_Q15) – *Government Microeconomic Intervention*

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63 – (9708/12_Winter_2018_Q15) – *Government Microeconomic Intervention*

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64 – (9708/13_Winter_2018_Q15) – *Government Microeconomic Intervention*

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65 – (9708/11_Winter_2018_Q16) – *Government Microeconomic Intervention*

D

66 – (9708/12_Winter_2018_Q16) – *Government Microeconomic Intervention*

B

67 – (9708/13_Winter_2018_Q16) – *Government Microeconomic Intervention*

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68 – (9708/11_Winter_2018_Q17) – *Government Microeconomic Intervention*

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69 – (9708/12_Winter_2018_Q17) – *Government Microeconomic Intervention*

A

70 – (9708/11_Winter_2018_Q18) – *Government Microeconomic Intervention*

B

71 – (9708/12_Winter_2018_Q18) – *Government Microeconomic Intervention*

D

72 – (9708/13_Summer_2019_Q4) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

B

73 – (9708/12_Summer_2019_Q14) – *Government Microeconomic Intervention*

B

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74 – (9708/13_Summer_2019_Q14) – *Government Microeconomic Intervention*

A

75 – (9708/11_Summer_2019_Q15) – *Government Microeconomic Intervention*

C

76 – (9708/12_Summer_2019_Q15) – *Government Microeconomic Intervention*

D

77 – (9708/13_Summer_2019_Q15) – *Government Microeconomic Intervention*

C

78 – (9708/12_Summer_2019_Q16) – *Government Microeconomic Intervention*

D

79 – (9708/13_Summer_2019_Q16) – *Government Microeconomic Intervention*

C

80 – (9708/11_Summer_2019_Q17) – *Government Microeconomic Intervention*

B

81 – (9708/12_Summer_2019_Q17) – *Government Microeconomic Intervention*

B

82 – (9708/13_Summer_2019_Q17) – *Government Microeconomic Intervention*

D

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83 – (9708/12_Summer_2019_Q18) – *Government Microeconomic Intervention*

B

84 – (9708/11_Summer_2019_Q28) – *Government Microeconomic Intervention*

D

85 – (9708/11_Summer_2019_Q29) – *Government Microeconomic Intervention*

A

86 – (9708/12_Winter_2019_Q10) – *Government Microeconomic Intervention*

A

87 – (9708/12_Winter_2019_Q11) – *Government Microeconomic Intervention*

D

88 – (9708/13_Winter_2019_Q11) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

C

89 – (9708/13_Winter_2019_Q12) – *Government Microeconomic Intervention*

C

90 – (9708/13_Winter_2019_Q13) – *Government Microeconomic Intervention*

C

91 – (9708/13_Winter_2019_Q14) – *Government Microeconomic Intervention*

D

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92 – (9708/11_Winter_2019_Q15) – *Government Microeconomic Intervention*

D

93 – (9708/12_Winter_2019_Q15) – *Government Microeconomic Intervention*

B

94 – (9708/13_Winter_2019_Q15) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

B

95 – (9708/11_Winter_2019_Q16) – *Government Microeconomic Intervention*

B

96 – (9708/13_Winter_2019_Q16) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

C

97 – (9708/11_Winter_2019_Q17) – *Government Microeconomic Intervention*

D

98 – (9708/12_Winter_2019_Q17) – *Government Microeconomic Intervention*

B

99 – (9708/13_Winter_2019_Q17) – *Government Microeconomic Intervention*

C

100 – (9708/13_Winter_2019_Q18) – *Government Microeconomic Intervention*

B

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101 – (9708/13_Winter_2019_Q20) – *The Macro Economy, Government Microeconomic Intervention*

B

102 – (9708/13_Winter_2019_Q29) – *Government Microeconomic Intervention*

B

103 – (9708/13_Winter_2019_Q30) – *Government Microeconomic Intervention*

C

104 – (9708/12_Summer_2020_Q1) – *Government Microeconomic Intervention*

B

105 – (9708/11_Summer_2020_Q6) – *Government Microeconomic Intervention*

D

106 – (9708/11_Summer_2020_Q9) – *Government Microeconomic Intervention*

D

107 – (9708/12_Summer_2020_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

108 – (9708/12_Summer_2020_Q13) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

C

109 – (9708/11_Summer_2020_Q14) – *Government Microeconomic Intervention*

B

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110 – (9708/12_Summer_2020_Q14) – *Government Microeconomic Intervention*

C

111 – (9708/13_Summer_2020_Q14) – *Government Microeconomic Intervention*

A

112 – (9708/11_Summer_2020_Q15) – *Government Microeconomic Intervention*

A

113 – (9708/12_Summer_2020_Q15) – *Government Microeconomic Intervention*

C

114 – (9708/13_Summer_2020_Q15) – *Government Microeconomic Intervention*

B

115 – (9708/11_Summer_2020_Q16) – *Government Microeconomic Intervention*

A

116 – (9708/12_Summer_2020_Q16) – *Government Microeconomic Intervention*

D

117 – (9708/13_Summer_2020_Q16) – *Government Microeconomic Intervention*

D

118 – (9708/11_Summer_2020_Q17) – *Government Microeconomic Intervention*

D

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119 – (9708/12_Summer_2020_Q17) – *Government Microeconomic Intervention*

A

120 – (9708/13_Summer_2020_Q17) – *Government Microeconomic Intervention*

C

121 – (9708/12_Summer_2020_Q18) – *Government Microeconomic Intervention*

A

122 – (9708/13_Summer_2020_Q18) – *Government Microeconomic Intervention*

D

123 – (9708/11_Summer_2020_Q26) – *Government Microeconomic Intervention*

C

124 – (9708/13_Summer_2020_Q28) – *Government Microeconomic Intervention*

D

125 – (9708/13_Winter_2020_Q3) – *Government Microeconomic Intervention*

D

126 – (9708/12_Winter_2020_Q9) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

C

127 – (9708/11_Winter_2020_Q14) – *Government Microeconomic Intervention*

B

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128 – (9708/12_Winter_2020_Q14) – *Government Microeconomic Intervention*

B

129 – (9708/13_Winter_2020_Q14) – *Basic Economic Ideas And Resource Allocation, The Price System And The Micro Economy, Government Microeconomic Intervention*

B

130 – (9708/11_Winter_2020_Q15) – *Government Microeconomic Intervention*

B

131 – (9708/12_Winter_2020_Q15) – *Government Microeconomic Intervention*

B

132 – (9708/13_Winter_2020_Q15) – *Government Microeconomic Intervention*

C

133 – (9708/11_Winter_2020_Q16) – *Government Microeconomic Intervention*

D

134 – (9708/12_Winter_2020_Q16) – *Government Microeconomic Intervention*

D

135 – (9708/13_Winter_2020_Q16) – *Government Microeconomic Intervention*

B

136 – (9708/12_Winter_2020_Q17) – *Government Microeconomic Intervention*

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137 – (9708/13_Winter_2020_Q17) – *Government Microeconomic Intervention*

D

138 – (9708/11_Winter_2020_Q18) – *Government Microeconomic Intervention*

D

139 – (9708/12_Winter_2020_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

140 – (9708/13_Winter_2020_Q18) – *Government Microeconomic Intervention*

A

141 – (9708/13_Summer_2021_Q9) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

142 – (9708/12_Summer_2021_Q14) – *Government Microeconomic Intervention*

A

143 – (9708/12_Summer_2021_Q15) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

C

144 – (9708/13_Summer_2021_Q15) – *Government Microeconomic Intervention*

C

145 – (9708/12_Summer_2021_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

D

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146 – (9708/13_Summer_2021_Q16) – *Government Microeconomic Intervention*

A

147 – (9708/12_Summer_2021_Q17) – *Government Microeconomic Intervention*

A

148 – (9708/13_Summer_2021_Q17) – *Government Microeconomic Intervention*

C

149 – (9708/12_Summer_2021_Q18) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

A

150 – (9708/13_Summer_2021_Q18) – *Government Microeconomic Intervention*

B

151 – (9708/12_Winter_2021_Q7) – *Government Microeconomic Intervention*

C

152 – (9708/11_Winter_2021_Q12) – *Government Microeconomic Intervention*

A

153 – (9708/13_Winter_2021_Q12) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

154 – (9708/11_Winter_2021_Q14) – *Government Microeconomic Intervention*

A

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155 – (9708/12_Winter_2021_Q14) – *Government Microeconomic Intervention*

B

156 – (9708/13_Winter_2021_Q14) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

A

157 – (9708/11_Winter_2021_Q15) – *Government Microeconomic Intervention*

A

158 – (9708/12_Winter_2021_Q15) – *Government Microeconomic Intervention*

A

159 – (9708/13_Winter_2021_Q15) – *Government Microeconomic Intervention*

B

160 – (9708/11_Winter_2021_Q16) – *Government Microeconomic Intervention*

A

161 – (9708/12_Winter_2021_Q16) – *Government Microeconomic Intervention*

B

162 – (9708/13_Winter_2021_Q16) – *Government Microeconomic Intervention*

B

163 – (9708/11_Winter_2021_Q17) – *Government Microeconomic Intervention*

D

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164 – (9708/12_Winter_2021_Q17) – *Government Microeconomic Intervention*

A

165 – (9708/13_Winter_2021_Q17) – *Government Microeconomic Intervention*

D

166 – (9708/11_Winter_2021_Q18) – *Government Microeconomic Intervention*

A

167 – (9708/12_Winter_2021_Q18) – *The Price System And The Micro Economy, Government Microeconomic Intervention*

D

168 – (9708/13_Winter_2021_Q18) – *Government Microeconomic Intervention*

C

169 – (9708/13_Winter_2021_Q20) – *The Price System And The Micro Economy, Government Microeconomic Intervention, Government Macro Intervention*

B

170 – (9708/13_Summer_2022_Q2) – *Government Microeconomic Intervention*

D

171 – (9708/11_Summer_2022_Q14) – *Government Microeconomic Intervention*

C

172 – (9708/12_Summer_2022_Q14) – *Government Microeconomic Intervention*

D

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173 – (9708/13_Summer_2022_Q14) – *Government Microeconomic Intervention*

A

174 – (9708/14_Summer_2022_Q14) – *Basic Economic Ideas And Resource Allocation, Government Microeconomic Intervention*

C

175 – (9708/11_Summer_2022_Q15) – *Government Microeconomic Intervention*

A

176 – (9708/13_Summer_2022_Q15) – *Government Microeconomic Intervention*

B

177 – (9708/14_Summer_2022_Q15) – *Government Microeconomic Intervention*

D

178 – (9708/11_Summer_2022_Q16) – *Government Microeconomic Intervention*

B

179 – (9708/12_Summer_2022_Q16) – *Government Microeconomic Intervention*

D

180 – (9708/13_Summer_2022_Q16) – *Government Microeconomic Intervention*

A

181 – (9708/14_Summer_2022_Q16) – *Government Microeconomic Intervention, The Price System And The Micro Economy*

B

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182 – (9708/11_Summer_2022_Q17) – *Government Microeconomic Intervention*

D

183 – (9708/12_Summer_2022_Q17) – *Government Microeconomic Intervention*

D

184 – (9708/13_Summer_2022_Q17) – *Government Microeconomic Intervention*

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185 – (9708/14_Summer_2022_Q17) – *Government Microeconomic Intervention*

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186 – (9708/11_Summer_2022_Q18) – *Government Microeconomic Intervention*

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187 – (9708/12_Summer_2022_Q18) – *Government Microeconomic Intervention*

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188 – (9708/13_Summer_2022_Q18) – *Government Microeconomic Intervention*

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189 – (9708/14_Summer_2022_Q18) – *Government Microeconomic Intervention*

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190 – (9708/11_Winter_2022_Q14) – *Government Microeconomic Intervention*

A

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191 – (9708/11_Winter_2022_Q15) – *Government Microeconomic Intervention*

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192 – (9708/12_Winter_2022_Q15) – *Government Microeconomic Intervention*

D

193 – (9708/13_Winter_2022_Q15) – *Government Microeconomic Intervention*

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194 – (9708/11_Winter_2022_Q16) – *Government Microeconomic Intervention*

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195 – (9708/12_Winter_2022_Q16) – *Government Microeconomic Intervention*

C

196 – (9708/13_Winter_2022_Q16) – *Government Microeconomic Intervention*

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197 – (9708/11_Winter_2022_Q17) – *Government Microeconomic Intervention*

D

198 – (9708/12_Winter_2022_Q17) – *Government Microeconomic Intervention*

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199 – (9708/13_Winter_2022_Q17) – *Government Microeconomic Intervention*

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200 – (9708/13_Winter_2022_Q18) – *Government Microeconomic Intervention*

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201 – (9708/11_Winter_2022_Q19) – *Government Microeconomic Intervention*

C

202 – (9708/13_Winter_2022_Q19) – *Government Microeconomic Intervention*

B

203 – (9708/11_Winter_2022_Q20) – *Government Microeconomic Intervention*

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204 – (9708/13_Winter_2022_Q20) – *Government Microeconomic Intervention*

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205 – (9708/11_Winter_2022_Q21) – *Government Microeconomic Intervention*

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206 – (9708/11_Winter_2022_Q22) – *Government Microeconomic Intervention*

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207 – (9708/11_Winter_2022_Q23) – *Government Microeconomic Intervention*

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208 – (9708/11_Winter_2022_Q24) – *Government Microeconomic Intervention*

A

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209 – (9708/11_Winter_2022_Q25) – *Government Microeconomic Intervention*

D

210 – (9708/11_Summer_2023_Q11) – *Government Microeconomic Intervention*

B

211 – (9708/11_Summer_2023_Q12) – *Government Microeconomic Intervention*

B

212 – (9708/11_Summer_2023_Q14) – *Government Microeconomic Intervention*

C

213 – (9708/12_Summer_2023_Q16) – *Government Microeconomic Intervention*

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214 – (9708/12_Summer_2023_Q21) – *Government Microeconomic Intervention*

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215 – (9708/13_Summer_2023_Q15) – *Government Microeconomic Intervention*

A

216 – (9708/11_Winter_2023_Q14) – *Government Microeconomic Intervention*

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217 – (9708/11_Winter_2023_Q15) – *Government Microeconomic Intervention*

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218 – (9708/11_Winter_2023_Q16) – *Government Microeconomic Intervention*

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219 – (9708/12_Winter_2023_Q11) – *Government Microeconomic Intervention*

D

220 – (9708/12_Winter_2023_Q14) – *Government Microeconomic Intervention*

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221 – (9708/12_Winter_2023_Q15) – *Government Microeconomic Intervention*

D

222 – (9708/12_Winter_2023_Q16) – *Government Microeconomic Intervention*

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223 – (9708/12_Winter_2023_Q19) – *Government Microeconomic Intervention*

B

224 – (9708/13_Winter_2023_Q15) – *Government Microeconomic Intervention*

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225 – (9708/13_Winter_2023_Q16) – *Government Microeconomic Intervention*

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1 – (9708/11_Summer_2017_Q19) – *The Macro Economy*

A

2 – (9708/12_Summer_2017_Q19) – *The Macro Economy*

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3 – (9708/13_Summer_2017_Q19) – *The Macro Economy*

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4 – (9708/11_Summer_2017_Q20) – *The Macro Economy*

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5 – (9708/12_Summer_2017_Q20) – *The Macro Economy*

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6 – (9708/13_Summer_2017_Q20) – *The Macro Economy*

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7 – (9708/12_Summer_2017_Q21) – *The Macro Economy*

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8 – (9708/13_Summer_2017_Q21) – *The Macro Economy*

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9 – (9708/11_Summer_2017_Q22) – *The Macro Economy*

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10 – (9708/12_Summer_2017_Q22) – *The Macro Economy*

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11 – (9708/13_Summer_2017_Q22) – *The Macro Economy*

A

12 – (9708/11_Summer_2017_Q23) – *The Macro Economy*

B

13 – (9708/12_Summer_2017_Q23) – *The Macro Economy*

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14 – (9708/13_Summer_2017_Q23) – *The Macro Economy*

A

15 – (9708/11_Summer_2017_Q24) – *The Macro Economy*

C

16 – (9708/12_Summer_2017_Q24) – *The Macro Economy*

C

17 – (9708/13_Summer_2017_Q24) – *The Macro Economy*

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18 – (9708/11_Summer_2017_Q25) – *The Macro Economy*

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19 – (9708/12_Summer_2017_Q25) – *The Macro Economy*

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20 – (9708/13_Summer_2017_Q25) – *The Macro Economy*

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21 – (9708/11_Summer_2017_Q26) – *The Macro Economy*

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22 – (9708/12_Summer_2017_Q26) – *The Macro Economy*

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23 – (9708/11_Summer_2017_Q27) – *The Macro Economy*

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24 – (9708/11_Summer_2017_Q28) – *The Macro Economy*

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25 – (9708/13_Summer_2017_Q28) – *The Macro Economy*

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26 – (9708/11_Winter_2017_Q19) – *The Macro Economy*

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27 – (9708/12_Winter_2017_Q19) – *The Macro Economy*

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28 – (9708/13_Winter_2017_Q19) – *The Macro Economy*

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29 – (9708/11_Winter_2017_Q20) – *The Macro Economy*

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30 – (9708/13_Winter_2017_Q20) – *The Macro Economy*

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31 – (9708/11_Winter_2017_Q21) – *The Macro Economy*

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32 – (9708/12_Winter_2017_Q21) – *The Macro Economy*

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33 – (9708/13_Winter_2017_Q21) – *The Macro Economy*

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34 – (9708/11_Winter_2017_Q22) – *The Macro Economy*

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35 – (9708/12_Winter_2017_Q22) – *The Macro Economy*

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36 – (9708/13_Winter_2017_Q22) – *The Macro Economy*

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37 – (9708/11_Winter_2017_Q23) – *The Macro Economy*

B

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39 – (9708/13_Winter_2017_Q23) – *The Macro Economy*

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40 – (9708/12_Winter_2017_Q24) – *The Macro Economy*

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41 – (9708/13_Winter_2017_Q24) – *The Macro Economy*

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42 – (9708/11_Winter_2017_Q25) – *The Macro Economy*

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43 – (9708/12_Winter_2017_Q25) – *The Macro Economy*

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44 – (9708/13_Winter_2017_Q25) – *The Macro Economy*

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45 – (9708/11_Winter_2017_Q26) – *The Macro Economy*

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46 – (9708/12_Winter_2017_Q26) – *The Macro Economy*

C

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47 – (9708/13_Winter_2017_Q26) – *The Macro Economy, Government Macro Intervention*

C

48 – (9708/11_Winter_2017_Q27) – *The Macro Economy*

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49 – (9708/13_Winter_2017_Q27) – *The Macro Economy*

B

50 – (9708/11_Winter_2017_Q28) – *Government Microeconomic Intervention, The Macro Economy*

B

51 – (9708/13_Winter_2017_Q29) – *The Macro Economy, Government Macro Intervention*

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52 – (9708/12_Winter_2017_Q30) – *The Macro Economy*

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53 – (9708/11_Summer_2018_Q19) – *The Macro Economy*

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54 – (9708/12_Summer_2018_Q19) – *The Macro Economy*

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55 – (9708/13_Summer_2018_Q19) – *The Macro Economy*

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56 – (9708/11_Summer_2018_Q20) – *The Macro Economy*

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57 – (9708/12_Summer_2018_Q20) – *The Macro Economy*

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58 – (9708/13_Summer_2018_Q20) – *The Macro Economy*

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59 – (9708/11_Summer_2018_Q21) – *The Macro Economy*

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60 – (9708/12_Summer_2018_Q21) – *The Macro Economy*

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61 – (9708/13_Summer_2018_Q21) – *The Macro Economy*

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62 – (9708/11_Summer_2018_Q22) – *The Macro Economy*

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63 – (9708/12_Summer_2018_Q22) – *The Macro Economy*

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64 – (9708/13_Summer_2018_Q22) – *The Macro Economy, Government Macro Intervention*

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65 – (9708/11_Summer_2018_Q23) – *The Macro Economy, Government Macro Intervention*

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66 – (9708/12_Summer_2018_Q23) – *The Macro Economy*

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67 – (9708/13_Summer_2018_Q23) – *The Macro Economy*

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68 – (9708/12_Summer_2018_Q24) – *The Macro Economy*

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69 – (9708/13_Summer_2018_Q24) – *The Macro Economy*

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70 – (9708/11_Summer_2018_Q25) – *The Macro Economy*

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71 – (9708/12_Summer_2018_Q25) – *The Macro Economy*

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72 – (9708/13_Summer_2018_Q25) – *The Macro Economy*

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73 – (9708/12_Summer_2018_Q26) – *The Macro Economy*

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A

75 – (9708/12_Summer_2018_Q27) – *The Macro Economy*

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76 – (9708/13_Summer_2018_Q27) – *The Price System And The Micro Economy, The Macro Economy*

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77 – (9708/13_Winter_2018_Q10) – *The Macro Economy*

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78 – (9708/11_Winter_2018_Q19) – *The Macro Economy*

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79 – (9708/12_Winter_2018_Q19) – *The Macro Economy*

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80 – (9708/13_Winter_2018_Q19) – *The Macro Economy*

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81 – (9708/11_Winter_2018_Q20) – *The Macro Economy*

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82 – (9708/12_Winter_2018_Q20) – *The Macro Economy*

C

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83 – (9708/13_Winter_2018_Q20) – *The Macro Economy*

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84 – (9708/11_Winter_2018_Q21) – *The Macro Economy*

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85 – (9708/12_Winter_2018_Q21) – *The Macro Economy*

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86 – (9708/13_Winter_2018_Q21) – *The Macro Economy*

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87 – (9708/11_Winter_2018_Q22) – *The Macro Economy*

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88 – (9708/12_Winter_2018_Q22) – *The Macro Economy, Government Macro Intervention*

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89 – (9708/13_Winter_2018_Q22) – *The Macro Economy*

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90 – (9708/11_Winter_2018_Q23) – *The Macro Economy, Government Macro Intervention*

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91 – (9708/13_Winter_2018_Q23) – *The Macro Economy*

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92 – (9708/11_Winter_2018_Q24) – *The Macro Economy*

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93 – (9708/12_Winter_2018_Q24) – *The Macro Economy*

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94 – (9708/13_Winter_2018_Q24) – *The Macro Economy*

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95 – (9708/11_Winter_2018_Q25) – *The Macro Economy*

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96 – (9708/12_Winter_2018_Q25) – *The Macro Economy*

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97 – (9708/13_Winter_2018_Q25) – *The Macro Economy*

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98 – (9708/11_Winter_2018_Q26) – *The Macro Economy*

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99 – (9708/12_Winter_2018_Q26) – *The Macro Economy*

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100 – (9708/13_Winter_2018_Q26) – *The Macro Economy*

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101 – (9708/11_Winter_2018_Q27) – *The Macro Economy, The Price System And The Micro Economy*

A

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B

103 – (9708/13_Winter_2018_Q27) – *The Macro Economy*

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104 – (9708/12_Winter_2018_Q28) – *The Macro Economy*

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105 – (9708/12_Winter_2018_Q29) – *The Macro Economy*

B

106 – (9708/12_Summer_2019_Q4) – *The Macro Economy*

D

107 – (9708/11_Summer_2019_Q5) – *The Macro Economy*

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108 – (9708/13_Summer_2019_Q18) – *The Macro Economy*

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109 – (9708/11_Summer_2019_Q19) – *The Macro Economy*

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110 – (9708/12_Summer_2019_Q19) – *The Macro Economy*

D

111 – (9708/13_Summer_2019_Q19) – *The Macro Economy*

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112 – (9708/11_Summer_2019_Q20) – *The Macro Economy*

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113 – (9708/12_Summer_2019_Q20) – *The Macro Economy*

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114 – (9708/13_Summer_2019_Q20) – *The Macro Economy*

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115 – (9708/11_Summer_2019_Q21) – *The Macro Economy*

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116 – (9708/12_Summer_2019_Q21) – *The Macro Economy*

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117 – (9708/13_Summer_2019_Q21) – *The Macro Economy*

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118 – (9708/11_Summer_2019_Q22) – *The Macro Economy*

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119 – (9708/12_Summer_2019_Q22) – *The Macro Economy*

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120 – (9708/13_Summer_2019_Q22) – *The Macro Economy*

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121 – (9708/11_Summer_2019_Q23) – *The Macro Economy*

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122 – (9708/12_Summer_2019_Q23) – *The Macro Economy*

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123 – (9708/13_Summer_2019_Q23) – *The Macro Economy, Government Macro Intervention*

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124 – (9708/11_Summer_2019_Q24) – *The Macro Economy*

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125 – (9708/12_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention*

C

126 – (9708/13_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention, The Price System And The Micro Economy*

C

127 – (9708/11_Summer_2019_Q25) – *The Macro Economy*

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128 – (9708/12_Summer_2019_Q25) – *The Macro Economy*

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129 – (9708/13_Summer_2019_Q25) – *The Macro Economy*

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130 – (9708/11_Summer_2019_Q26) – *The Macro Economy*

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131 – (9708/12_Summer_2019_Q26) – *The Macro Economy*

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132 – (9708/13_Summer_2019_Q26) – *The Macro Economy*

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133 – (9708/11_Summer_2019_Q27) – *The Macro Economy, Government Macro Intervention*

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134 – (9708/12_Summer_2019_Q27) – *The Macro Economy*

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135 – (9708/13_Summer_2019_Q27) – *The Macro Economy*

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136 – (9708/12_Summer_2019_Q28) – *The Macro Economy*

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137 – (9708/13_Summer_2019_Q28) – *The Macro Economy, Government Macro Intervention*

D

138 – (9708/12_Summer_2019_Q29) – *The Macro Economy*

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139 – (9708/11_Summer_2019_Q30) – *The Macro Economy, Government Macro Intervention*

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140 – (9708/12_Summer_2019_Q30) – *The Macro Economy*

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141 – (9708/11_Winter_2019_Q3) – *The Macro Economy*

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142 – (9708/11_Winter_2019_Q19) – *The Macro Economy*

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143 – (9708/12_Winter_2019_Q19) – *The Macro Economy*

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144 – (9708/13_Winter_2019_Q19) – *The Macro Economy*

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145 – (9708/11_Winter_2019_Q20) – *The Macro Economy*

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146 – (9708/12_Winter_2019_Q20) – *The Macro Economy*

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147 – (9708/13_Winter_2019_Q20) – *The Macro Economy, Government Microeconomic Intervention*

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148 – (9708/11_Winter_2019_Q21) – *The Macro Economy*

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149 – (9708/12_Winter_2019_Q21) – *The Macro Economy*

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152 – (9708/12_Winter_2019_Q22) – *The Macro Economy*

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154 – (9708/11_Winter_2019_Q23) – *The Macro Economy*

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155 – (9708/12_Winter_2019_Q23) – *The Macro Economy*

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156 – (9708/13_Winter_2019_Q23) – *The Macro Economy*

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157 – (9708/11_Winter_2019_Q24) – *The Macro Economy*

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160 – (9708/11_Winter_2019_Q25) – *The Macro Economy*

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161 – (9708/12_Winter_2019_Q25) – *The Macro Economy*

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163 – (9708/11_Winter_2019_Q26) – *The Macro Economy*

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164 – (9708/12_Winter_2019_Q26) – *The Macro Economy*

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165 – (9708/13_Winter_2019_Q26) – *The Macro Economy*

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166 – (9708/11_Winter_2019_Q27) – *The Macro Economy*

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167 – (9708/13_Winter_2019_Q27) – *The Macro Economy*

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168 – (9708/11_Winter_2019_Q28) – *The Macro Economy*

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169 – (9708/12_Winter_2019_Q28) – *The Macro Economy, Government Macro Intervention*

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170 – (9708/13_Winter_2019_Q28) – *The Macro Economy*

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171 – (9708/11_Winter_2019_Q29) – *The Macro Economy, Government Macro Intervention*

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172 – (9708/12_Winter_2019_Q29) – *The Macro Economy*

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173 – (9708/11_Winter_2019_Q30) – *The Macro Economy, Government Macro Intervention*

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174 – (9708/11_Summer_2020_Q19) – *The Macro Economy*

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183 – (9708/12_Summer_2020_Q22) – *The Macro Economy*

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190 – (9708/11_Summer_2020_Q25) – *The Macro Economy*

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192 – (9708/13_Summer_2020_Q25) – *The Macro Economy*

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193 – (9708/12_Summer_2020_Q26) – *The Macro Economy*

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195 – (9708/11_Summer_2020_Q27) – *The Macro Economy*

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197 – (9708/13_Summer_2020_Q27) – *The Macro Economy*

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198 – (9708/11_Summer_2020_Q28) – *The Macro Economy*

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199 – (9708/12_Summer_2020_Q28) – *The Macro Economy*

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200 – (9708/11_Summer_2020_Q30) – *The Macro Economy*

A

201 – (9708/11_Winter_2020_Q19) – *The Macro Economy*

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202 – (9708/13_Winter_2020_Q19) – *The Macro Economy, Government Macro Intervention*

C

203 – (9708/11_Winter_2020_Q20) – *The Macro Economy*

B

204 – (9708/13_Winter_2020_Q20) – *The Macro Economy*

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205 – (9708/11_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

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206 – (9708/13_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

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207 – (9708/12_Winter_2020_Q22) – *The Macro Economy*

B

208 – (9708/13_Winter_2020_Q22) – *The Macro Economy*

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210 – (9708/12_Winter_2020_Q23) – *The Macro Economy*

A

211 – (9708/13_Winter_2020_Q23) – *The Macro Economy*

C

212 – (9708/11_Winter_2020_Q24) – *The Macro Economy*

C

213 – (9708/12_Winter_2020_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

C

214 – (9708/13_Winter_2020_Q24) – *The Macro Economy, Government Macro Intervention*

C

215 – (9708/12_Winter_2020_Q25) – *The Macro Economy*

B

216 – (9708/13_Winter_2020_Q25) – *The Macro Economy*

D

217 – (9708/11_Winter_2020_Q26) – *The Macro Economy, Government Macro Intervention*

C

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D

219 – (9708/12_Winter_2020_Q27) – *The Macro Economy*

D

220 – (9708/11_Winter_2020_Q29) – *The Macro Economy*

C

221 – (9708/12_Winter_2020_Q30) – *The Macro Economy*

A

222 – (9708/12_Summer_2021_Q3) – *Basic Economic Ideas And Resource Allocation, The Macro Economy*

C

223 – (9708/13_Summer_2021_Q19) – *The Macro Economy*

C

224 – (9708/12_Summer_2021_Q20) – *The Macro Economy, Government Macro Intervention*

B

225 – (9708/13_Summer_2021_Q20) – *The Macro Economy*

B

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B

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227 – (9708/12_Summer_2021_Q22) – *The Macro Economy*

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228 – (9708/13_Summer_2021_Q22) – *The Macro Economy*

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229 – (9708/12_Summer_2021_Q23) – *The Macro Economy*

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230 – (9708/13_Summer_2021_Q23) – *The Macro Economy*

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231 – (9708/12_Summer_2021_Q24) – *The Macro Economy*

C

232 – (9708/13_Summer_2021_Q24) – *The Price System And The Micro Economy*, *The Macro Economy*, *Government Macro Intervention*

A

233 – (9708/12_Summer_2021_Q25) – *The Macro Economy*

D

234 – (9708/13_Summer_2021_Q25) – *The Macro Economy*

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235 – (9708/12_Summer_2021_Q26) – *The Macro Economy*

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236 – (9708/13_Summer_2021_Q26) – *The Macro Economy*

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237 – (9708/12_Summer_2021_Q27) – *The Macro Economy*

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238 – (9708/12_Summer_2021_Q28) – *The Macro Economy*

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239 – (9708/12_Winter_2021_Q19) – *The Macro Economy*

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240 – (9708/13_Winter_2021_Q19) – *The Macro Economy*

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241 – (9708/11_Winter_2021_Q20) – *The Macro Economy*

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245 – (9708/13_Winter_2021_Q21) – *The Macro Economy*

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246 – (9708/11_Winter_2021_Q22) – *The Macro Economy*

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247 – (9708/11_Winter_2021_Q23) – *The Macro Economy*

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249 – (9708/13_Winter_2021_Q23) – *The Macro Economy*

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250 – (9708/11_Winter_2021_Q24) – *The Macro Economy, Government Macro Intervention*

B

251 – (9708/12_Winter_2021_Q24) – *The Macro Economy*

B

252 – (9708/11_Winter_2021_Q25) – *The Macro Economy*

C

253 – (9708/12_Winter_2021_Q25) – *The Macro Economy*

A

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255 – (9708/11_Winter_2021_Q26) – *The Macro Economy*

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256 – (9708/12_Winter_2021_Q26) – *The Macro Economy*

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257 – (9708/11_Winter_2021_Q27) – *The Macro Economy*

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258 – (9708/13_Winter_2021_Q27) – *The Macro Economy*

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259 – (9708/13_Winter_2021_Q30) – *The Macro Economy*

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260 – (9708/11_Summer_2022_Q19) – *The Macro Economy*

B

261 – (9708/12_Summer_2022_Q19) – *The Macro Economy*

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262 – (9708/13_Summer_2022_Q19) – *The Macro Economy*

C

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D

264 – (9708/11_Summer_2022_Q20) – *The Macro Economy*

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265 – (9708/12_Summer_2022_Q20) – *The Macro Economy*

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266 – (9708/13_Summer_2022_Q20) – *The Macro Economy*

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267 – (9708/14_Summer_2022_Q20) – *The Macro Economy*

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268 – (9708/12_Summer_2022_Q21) – *The Macro Economy*

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269 – (9708/13_Summer_2022_Q21) – *The Macro Economy*

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270 – (9708/14_Summer_2022_Q21) – *The Macro Economy*

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271 – (9708/11_Summer_2022_Q22) – *The Macro Economy*

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272 – (9708/12_Summer_2022_Q22) – *The Macro Economy*

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273 – (9708/13_Summer_2022_Q22) – *The Macro Economy*

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274 – (9708/14_Summer_2022_Q22) – *The Macro Economy*

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275 – (9708/12_Summer_2022_Q23) – *The Macro Economy, Government Macro Intervention*

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276 – (9708/13_Summer_2022_Q23) – *The Macro Economy*

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277 – (9708/14_Summer_2022_Q23) – *The Macro Economy*

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278 – (9708/11_Summer_2022_Q24) – *The Macro Economy*

A

279 – (9708/12_Summer_2022_Q24) – *The Price System And The Micro Economy, The Macro Economy*

A

280 – (9708/13_Summer_2022_Q24) – *The Macro Economy, Government Macro Intervention*

B

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281 – (9708/14_Summer_2022_Q24) – *The Macro Economy*

C

282 – (9708/11_Summer_2022_Q25) – *The Macro Economy*

B

283 – (9708/13_Summer_2022_Q25) – *The Macro Economy*

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284 – (9708/14_Summer_2022_Q25) – *The Macro Economy*

D

285 – (9708/13_Summer_2022_Q26) – *The Macro Economy*

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286 – (9708/14_Summer_2022_Q26) – *The Macro Economy*

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287 – (9708/12_Summer_2022_Q27) – *The Macro Economy*

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288 – (9708/13_Summer_2022_Q27) – *The Macro Economy*

D

289 – (9708/14_Summer_2022_Q27) – *The Macro Economy*

A

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C

291 – (9708/12_Summer_2022_Q29) – *The Macro Economy*

B

292 – (9708/12_Winter_2022_Q18) – *The Macro Economy*

D

293 – (9708/12_Winter_2022_Q19) – *The Macro Economy*

B

294 – (9708/12_Winter_2022_Q20) – *The Macro Economy*

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295 – (9708/12_Winter_2022_Q21) – *The Macro Economy*

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296 – (9708/13_Winter_2022_Q21) – *The Macro Economy*

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297 – (9708/12_Winter_2022_Q22) – *The Macro Economy*

C

298 – (9708/13_Winter_2022_Q22) – *The Macro Economy*

A

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299 – (9708/12_Winter_2022_Q23) – *The Macro Economy*

B

300 – (9708/13_Winter_2022_Q23) – *The Macro Economy*

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301 – (9708/12_Winter_2022_Q24) – *The Macro Economy*

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302 – (9708/13_Winter_2022_Q24) – *The Macro Economy*

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303 – (9708/12_Winter_2022_Q25) – *The Macro Economy*

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304 – (9708/13_Winter_2022_Q25) – *The Macro Economy*

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305 – (9708/11_Winter_2022_Q26) – *The Macro Economy*

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306 – (9708/12_Winter_2022_Q26) – *The Macro Economy*

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307 – (9708/13_Winter_2022_Q26) – *The Macro Economy*

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309 – (9708/11_Winter_2022_Q28) – *The Macro Economy*

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310 – (9708/11_Winter_2022_Q29) – *The Macro Economy*

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311 – (9708/11_Winter_2022_Q30) – *The Macro Economy*

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312 – (9708/11_Summer_2023_Q15) – *The Macro Economy*

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313 – (9708/11_Summer_2023_Q17) – *The Macro Economy*

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314 – (9708/11_Summer_2023_Q18) – *The Macro Economy*

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315 – (9708/11_Summer_2023_Q20) – *The Macro Economy*

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316 – (9708/11_Summer_2023_Q21) – *The Macro Economy*

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317 – (9708/11_Summer_2023_Q22) – *The Macro Economy*

318 – (9708/11_Summer_2023_Q23) – *The Macro Economy*

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319 – (9708/11_Summer_2023_Q24) – *The Macro Economy*

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320 – (9708/11_Summer_2023_Q25) – *The Macro Economy*

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321 – (9708/11_Summer_2023_Q28) – *The Macro Economy*

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322 – (9708/11_Summer_2023_Q29) – *The Macro Economy*

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323 – (9708/12_Summer_2023_Q4) – *The Macro Economy*

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324 – (9708/12_Summer_2023_Q7) – *The Macro Economy*

C

325 – (9708/12_Summer_2023_Q17) – *The Macro Economy*

D

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B

327 – (9708/12_Summer_2023_Q19) – *The Macro Economy*

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328 – (9708/12_Summer_2023_Q20) – *The Macro Economy*

B

329 – (9708/12_Summer_2023_Q22) – *The Macro Economy*

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330 – (9708/12_Summer_2023_Q24) – *The Macro Economy*

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331 – (9708/12_Summer_2023_Q26) – *The Macro Economy*

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332 – (9708/12_Summer_2023_Q30) – *The Macro Economy*

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333 – (9708/13_Summer_2023_Q4) – *The Macro Economy*

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334 – (9708/13_Summer_2023_Q17) – *The Macro Economy*

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336 – (9708/13_Summer_2023_Q21) – *The Macro Economy*

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337 – (9708/13_Summer_2023_Q22) – *The Macro Economy*

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338 – (9708/13_Summer_2023_Q23) – *The Macro Economy*

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339 – (9708/13_Summer_2023_Q26) – *The Macro Economy*

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340 – (9708/11_Winter_2023_Q17) – *The Macro Economy*

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341 – (9708/11_Winter_2023_Q18) – *The Macro Economy*

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342 – (9708/11_Winter_2023_Q19) – *The Macro Economy*

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343 – (9708/11_Winter_2023_Q20) – *The Macro Economy*

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344 – (9708/11_Winter_2023_Q23) – *The Macro Economy*

C

345 – (9708/11_Winter_2023_Q24) – *The Macro Economy*

B

346 – (9708/11_Winter_2023_Q25) – *The Macro Economy*

D

347 – (9708/11_Winter_2023_Q26) – *The Macro Economy*

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348 – (9708/11_Winter_2023_Q27) – *The Macro Economy*

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349 – (9708/11_Winter_2023_Q30) – *The Macro Economy*

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350 – (9708/12_Winter_2023_Q18) – *The Macro Economy*

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351 – (9708/12_Winter_2023_Q20) – *The Macro Economy*

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352 – (9708/12_Winter_2023_Q21) – *The Macro Economy*

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353 – (9708/12_Winter_2023_Q26) – *The Macro Economy*

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354 – (9708/12_Winter_2023_Q27) – *The Macro Economy*

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355 – (9708/12_Winter_2023_Q29) – *The Macro Economy*

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356 – (9708/12_Winter_2023_Q30) – *The Macro Economy*

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357 – (9708/13_Winter_2023_Q17) – *The Macro Economy*

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358 – (9708/13_Winter_2023_Q18) – *The Macro Economy*

B

359 – (9708/13_Winter_2023_Q19) – *The Macro Economy*

A

360 – (9708/13_Winter_2023_Q20) – *The Macro Economy*

C

361 – (9708/13_Winter_2023_Q22) – *The Macro Economy*

D

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A

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1 – (9708/11_Summer_2017_Q21) – *Government Macro Intervention*

A

2 – (9708/13_Summer_2017_Q26) – *Government Macro Intervention*

A

3 – (9708/12_Summer_2017_Q27) – *Government Macro Intervention*

D

4 – (9708/13_Summer_2017_Q27) – *Government Macro Intervention*

C

5 – (9708/12_Summer_2017_Q28) – *Government Macro Intervention*

D

6 – (9708/11_Summer_2017_Q29) – *Government Macro Intervention*

B

7 – (9708/12_Summer_2017_Q29) – *Government Macro Intervention*

A

8 – (9708/11_Summer_2017_Q30) – *Government Macro Intervention*

D

9 – (9708/12_Summer_2017_Q30) – *Government Macro Intervention*

D

10 – (9708/12_Winter_2017_Q17) – *Government Macro Intervention*

D

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11 – (9708/11_Winter_2017_Q24) – *Government Macro Intervention*

C

12 – (9708/13_Winter_2017_Q26) – *The Macro Economy, Government Macro Intervention*

C

13 – (9708/12_Winter_2017_Q27) – *Government Macro Intervention*

C

14 – (9708/12_Winter_2017_Q28) – *Government Macro Intervention*

B

15 – (9708/13_Winter_2017_Q28) – *Government Macro Intervention*

D

16 – (9708/11_Winter_2017_Q29) – *Government Macro Intervention*

B

17 – (9708/12_Winter_2017_Q29) – *Government Macro Intervention*

B

18 – (9708/13_Winter_2017_Q29) – *The Macro Economy, Government Macro Intervention*

A

19 – (9708/11_Winter_2017_Q30) – *Government Macro Intervention*

A

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20 – (9708/13_Winter_2017_Q30) – *Government Macro Intervention*

A

21 – (9708/13_Summer_2018_Q22) – *The Macro Economy, Government Macro Intervention*

B

22 – (9708/11_Summer_2018_Q23) – *The Macro Economy, Government Macro Intervention*

D

23 – (9708/11_Summer_2018_Q24) – *Government Macro Intervention*

A

24 – (9708/11_Summer_2018_Q26) – *Government Macro Intervention*

A

25 – (9708/13_Summer_2018_Q26) – *The Macro Economy, Government Macro Intervention*

A

26 – (9708/11_Summer_2018_Q27) – *Government Macro Intervention*

B

27 – (9708/11_Summer_2018_Q28) – *Government Macro Intervention*

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28 – (9708/12_Summer_2018_Q28) – *Government Macro Intervention*

A

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29 – (9708/13_Summer_2018_Q28) – *Government Macro Intervention*

C

30 – (9708/11_Summer_2018_Q29) – *Government Macro Intervention*

B

31 – (9708/12_Summer_2018_Q29) – *Government Macro Intervention*

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32 – (9708/13_Summer_2018_Q29) – *Government Macro Intervention*

D

33 – (9708/11_Summer_2018_Q30) – *Government Macro Intervention*

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34 – (9708/12_Summer_2018_Q30) – *Government Macro Intervention*

C

35 – (9708/13_Summer_2018_Q30) – *Government Macro Intervention*

C

36 – (9708/12_Winter_2018_Q22) – *The Macro Economy, Government Macro Intervention*

D

37 – (9708/11_Winter_2018_Q23) – *The Macro Economy, Government Macro Intervention*

A

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38 – (9708/12_Winter_2018_Q23) – *Government Macro Intervention*

B

39 – (9708/12_Winter_2018_Q27) – *The Macro Economy, Government Macro Intervention*

B

40 – (9708/11_Winter_2018_Q28) – *Government Macro Intervention*

C

41 – (9708/13_Winter_2018_Q28) – *Government Macro Intervention*

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42 – (9708/11_Winter_2018_Q29) – *Government Macro Intervention*

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43 – (9708/13_Winter_2018_Q29) – *Government Macro Intervention*

D

44 – (9708/11_Winter_2018_Q30) – *Government Macro Intervention*

B

45 – (9708/12_Winter_2018_Q30) – *Government Macro Intervention*

C

46 – (9708/13_Winter_2018_Q30) – *Government Macro Intervention*

C

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47 – (9708/11_Summer_2019_Q14) – *Government Macro Intervention*

A

48 – (9708/13_Summer_2019_Q23) – *The Macro Economy, Government Macro Intervention*

A

49 – (9708/12_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention*

C

50 – (9708/13_Summer_2019_Q24) – *The Macro Economy, Government Macro Intervention, The Price System And The Micro Economy*

C

51 – (9708/11_Summer_2019_Q27) – *The Macro Economy, Government Macro Intervention*

C

52 – (9708/13_Summer_2019_Q28) – *The Macro Economy, Government Macro Intervention*

D

53 – (9708/13_Summer_2019_Q29) – *Government Macro Intervention*

C

54 – (9708/11_Summer_2019_Q30) – *The Macro Economy, Government Macro Intervention*

A

55 – (9708/13_Summer_2019_Q30) – *Government Macro Intervention*

C

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56 – (9708/12_Winter_2019_Q27) – *Government Macro Intervention*

B

57 – (9708/12_Winter_2019_Q28) – *The Macro Economy, Government Macro Intervention*

A

58 – (9708/11_Winter_2019_Q29) – *The Macro Economy, Government Macro Intervention*

D

59 – (9708/11_Winter_2019_Q30) – *The Macro Economy, Government Macro Intervention*

C

60 – (9708/12_Winter_2019_Q30) – *Government Macro Intervention*

A

61 – (9708/13_Summer_2020_Q20) – *Government Macro Intervention*

D

62 – (9708/12_Summer_2020_Q24) – *Government Macro Intervention*

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63 – (9708/11_Summer_2020_Q29) – *Government Macro Intervention*

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64 – (9708/12_Summer_2020_Q29) – *Government Macro Intervention*

B

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65 – (9708/13_Summer_2020_Q29) – *Government Macro Intervention*

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66 – (9708/12_Summer_2020_Q30) – *Government Macro Intervention*

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67 – (9708/13_Summer_2020_Q30) – *Government Macro Intervention*

D

68 – (9708/12_Winter_2020_Q19) – *Government Macro Intervention*

B

69 – (9708/13_Winter_2020_Q19) – *The Macro Economy, Government Macro Intervention*

C

70 – (9708/12_Winter_2020_Q20) – *Government Macro Intervention*

C

71 – (9708/11_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

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72 – (9708/12_Winter_2020_Q21) – *Government Macro Intervention*

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73 – (9708/13_Winter_2020_Q21) – *The Macro Economy, Government Macro Intervention*

A

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74 – (9708/11_Winter_2020_Q22) – *Government Macro Intervention*

C

75 – (9708/12_Winter_2020_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

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76 – (9708/13_Winter_2020_Q24) – *The Macro Economy, Government Macro Intervention*

C

77 – (9708/11_Winter_2020_Q25) – *Government Macro Intervention*

D

78 – (9708/11_Winter_2020_Q26) – *The Macro Economy, Government Macro Intervention*

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79 – (9708/12_Winter_2020_Q26) – *Government Macro Intervention*

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80 – (9708/13_Winter_2020_Q26) – *The Macro Economy, Government Macro Intervention*

D

81 – (9708/11_Winter_2020_Q27) – *Government Macro Intervention*

B

82 – (9708/13_Winter_2020_Q27) – *Government Macro Intervention*

B

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83 – (9708/11_Winter_2020_Q28) – *Government Macro Intervention*

A

84 – (9708/12_Winter_2020_Q28) – *Government Macro Intervention*

D

85 – (9708/13_Winter_2020_Q28) – *Government Macro Intervention*

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86 – (9708/12_Winter_2020_Q29) – *Government Macro Intervention*

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87 – (9708/13_Winter_2020_Q29) – *Government Macro Intervention*

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88 – (9708/11_Winter_2020_Q30) – *Government Macro Intervention*

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89 – (9708/13_Winter_2020_Q30) – *Government Macro Intervention*

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90 – (9708/12_Summer_2021_Q20) – *The Macro Economy, Government Macro Intervention*

B

91 – (9708/12_Summer_2021_Q21) – *Government Macro Intervention*

B

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92 – (9708/13_Summer_2021_Q24) – *The Price System And The Micro Economy, The Macro Economy, Government Macro Intervention*

A

93 – (9708/13_Summer_2021_Q27) – *Government Macro Intervention*

B

94 – (9708/13_Summer_2021_Q28) – *Government Macro Intervention*

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95 – (9708/12_Summer_2021_Q29) – *Government Macro Intervention*

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96 – (9708/13_Summer_2021_Q29) – *Government Macro Intervention*

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97 – (9708/12_Summer_2021_Q30) – *Government Macro Intervention*

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98 – (9708/13_Summer_2021_Q30) – *Government Macro Intervention*

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99 – (9708/11_Winter_2021_Q19) – *Government Macro Intervention*

C

100 – (9708/13_Winter_2021_Q20) – *The Price System And The Micro Economy, Government Microeconomic Intervention, Government Macro Intervention*

B

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101 – (9708/12_Winter_2021_Q22) – *Government Macro Intervention*

C

102 – (9708/13_Winter_2021_Q22) – *Government Macro Intervention*

D

103 – (9708/11_Winter_2021_Q24) – *The Macro Economy, Government Macro Intervention*

B

104 – (9708/13_Winter_2021_Q24) – *Government Macro Intervention*

D

105 – (9708/13_Winter_2021_Q26) – *Government Macro Intervention*

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106 – (9708/12_Winter_2021_Q27) – *Government Macro Intervention*

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107 – (9708/11_Winter_2021_Q28) – *Government Macro Intervention*

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108 – (9708/12_Winter_2021_Q28) – *Government Macro Intervention*

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109 – (9708/13_Winter_2021_Q28) – *Government Macro Intervention*

B

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110 – (9708/11_Winter_2021_Q29) – *Government Macro Intervention*

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111 – (9708/12_Winter_2021_Q29) – *Government Macro Intervention*

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112 – (9708/13_Winter_2021_Q29) – *Government Macro Intervention*

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113 – (9708/11_Winter_2021_Q30) – *Government Macro Intervention*

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114 – (9708/12_Winter_2021_Q30) – *Government Macro Intervention*

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115 – (9708/11_Summer_2022_Q21) – *Government Macro Intervention*

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116 – (9708/11_Summer_2022_Q23) – *Government Macro Intervention*

C

117 – (9708/12_Summer_2022_Q23) – *The Macro Economy, Government Macro Intervention*

C

118 – (9708/13_Summer_2022_Q24) – *The Macro Economy, Government Macro Intervention*

B

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119 – (9708/12_Summer_2022_Q25) – *Government Macro Intervention*

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120 – (9708/11_Summer_2022_Q26) – *Government Macro Intervention*

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121 – (9708/12_Summer_2022_Q26) – *Government Macro Intervention*

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122 – (9708/11_Summer_2022_Q27) – *Government Macro Intervention*

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123 – (9708/11_Summer_2022_Q28) – *Government Macro Intervention*

B

124 – (9708/12_Summer_2022_Q28) – *Government Macro Intervention*

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125 – (9708/13_Summer_2022_Q28) – *The Macro Economy, Government Macro Intervention*

C

126 – (9708/14_Summer_2022_Q28) – *Government Macro Intervention*

B

127 – (9708/11_Summer_2022_Q29) – *Government Macro Intervention*

D

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128 – (9708/13_Summer_2022_Q29) – *Government Macro Intervention*

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129 – (9708/14_Summer_2022_Q29) – *Government Macro Intervention*

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130 – (9708/11_Summer_2022_Q30) – *Government Macro Intervention*

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131 – (9708/12_Summer_2022_Q30) – *Government Macro Intervention*

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132 – (9708/13_Summer_2022_Q30) – *Government Macro Intervention*

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133 – (9708/14_Summer_2022_Q30) – *Government Macro Intervention*

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134 – (9708/11_Winter_2022_Q1) – *Government Macro Intervention*

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135 – (9708/11_Winter_2022_Q18) – *Government Macro Intervention*

A

136 – (9708/12_Winter_2022_Q27) – *Government Macro Intervention*

D

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137 – (9708/13_Winter_2022_Q27) – *Government Macro Intervention*

C

138 – (9708/12_Winter_2022_Q28) – *Government Macro Intervention*

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139 – (9708/13_Winter_2022_Q28) – *Government Macro Intervention*

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140 – (9708/12_Winter_2022_Q29) – *Government Macro Intervention*

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141 – (9708/13_Winter_2022_Q29) – *Government Macro Intervention*

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142 – (9708/12_Winter_2022_Q30) – *Government Macro Intervention*

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143 – (9708/13_Winter_2022_Q30) – *Government Macro Intervention*

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144 – (9708/11_Summer_2023_Q19) – *Government Macro Intervention*

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145 – (9708/11_Summer_2023_Q26) – *Government Macro Intervention*

C

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146 – (9708/11_Summer_2023_Q27) – *Government Macro Intervention*

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147 – (9708/11_Summer_2023_Q30) – *Government Macro Intervention*

148 – (9708/12_Summer_2023_Q23) – *Government Macro Intervention*

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149 – (9708/12_Summer_2023_Q25) – *Government Macro Intervention*

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150 – (9708/12_Summer_2023_Q27) – *Government Macro Intervention*

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151 – (9708/12_Summer_2023_Q28) – *Government Macro Intervention*

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152 – (9708/12_Summer_2023_Q29) – *Government Macro Intervention*

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153 – (9708/13_Summer_2023_Q16) – *Government Macro Intervention*

B

154 – (9708/13_Summer_2023_Q19) – *Government Macro Intervention*

B

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155 – (9708/13_Summer_2023_Q20) – *Government Macro Intervention*

D

156 – (9708/13_Summer_2023_Q24) – *Government Macro Intervention*

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157 – (9708/13_Summer_2023_Q25) – *Government Macro Intervention*

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158 – (9708/13_Summer_2023_Q27) – *Government Macro Intervention*

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159 – (9708/13_Summer_2023_Q28) – *Government Macro Intervention*

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160 – (9708/13_Summer_2023_Q29) – *Government Macro Intervention*

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161 – (9708/13_Summer_2023_Q30) – *Government Macro Intervention*

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162 – (9708/11_Winter_2023_Q21) – *Government Macro Intervention*

B

163 – (9708/11_Winter_2023_Q28) – *Government Macro Intervention*

D

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164 – (9708/11_Winter_2023_Q29) – *Government Macro Intervention*

B

165 – (9708/12_Winter_2023_Q22) – *Government Macro Intervention*

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166 – (9708/12_Winter_2023_Q23) – *Government Macro Intervention*

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167 – (9708/12_Winter_2023_Q24) – *Government Macro Intervention*

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168 – (9708/12_Winter_2023_Q25) – *Government Macro Intervention*

B

169 – (9708/13_Winter_2023_Q26) – *Government Macro Intervention*

C

170 – (9708/13_Winter_2023_Q27) – *Government Macro Intervention*

D

171 – (9708/13_Winter_2023_Q28) – *Government Macro Intervention*

A

172 – (9708/13_Winter_2023_Q29) – *Government Macro Intervention*

D

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173 – (9708/13_Winter_2023_Q30) – *Government Macro Intervention*

D

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1 – (9708/11_Winter_2023_Q22) – *International Economic Issues*

D

2 – (9708/12_Winter_2023_Q10) – *International Economic Issues*

B

3 – (9708/12_Winter_2023_Q17) – *International Economic Issues*

D

4 – (9708/12_Winter_2023_Q28) – *International Economic Issues*

C

5 – (9708/13_Winter_2023_Q21) – *International Economic Issues*

D

6 – (9708/13_Winter_2023_Q24) – *International Economic Issues*

A

7 – (9708/13_Winter_2023_Q25) – *International Economic Issues*

D

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