

Question 1

- (b) Tea and coffee

Question 2

- (a) The price of the product increases.

Question 3

- (c) It is a man-made factor of production.

Question 4

- (b) Zero

Question 5

- (b) Market demand curve.

Question 6

- (c) Supply

Question 7

- (b) Capital Formation.

Question 8

- (d) Water taken from a nearby river.

Question 9

- (a) Lack of Government support.

Question 10

- (b) Nuclear weapons

Question 11

- (d) Urbanisation

Question 12

- (d) Advertising by individual firms.

Question 13

- (a) Hot and enervating tropical climate.

Question 14

- (b) Soil erosion.

Question 15

- (b) Innovation

Question 16

(a) True

Question 17

(b) False

Question 18

(b) False

Question 19

(a) True

Question 20

(a) True

Question 21

(c) Income of the consumer.

Question 22

(b) Monopoly

Question 23

(a) Used together to satisfy a want.

Question 24

(c) Capital.

Question 25

(c) $E_s < 1$

Question 26

(d) The number of firms supplying the commodity does not change.

Question 27

(c) Residual

Question 28

(c) Income increases

Question 29

(c) The government policy should support division of labour.

Question 30

(c) 1

Question 31

(a) S_1 : Relatively elastic; S_2 : Relatively inelastic

Question 32

(c) Perfectly competitive market

Question 33

- (b) Entrepreneur; labour

Question 34

- (c) Increase in demand.

Question 35

- (b) rises; falls

Question 36

- (c) Labour carries with it an element of judgement or intelligence.

Question 37

- (a) Circulating; Fixed

Question 38

- (b) Price and quantity demanded.

Question 39

- (c) Monopoly and monopolistic competition.

Question 40

- (d) when the price falls, quantity supplied falls.

Question 41

- (c) Production.

Question 42

- (b) Use of capital.

Question 43

- (c) Delegation.

Question 44

- (a) 10

Question 45

- (c) The responsiveness of demand to a change in price.

Question 46

- (i) (b) A monopoly.
- (ii) (c) Price Discrimination
- (iii) (b) He has no competitors.
- (iv) (c) Restricted
- (v) (b) It will benefit the weaker and the poorer sections of the society.