

2 What is meant by the division of labour?

- A** A process is split into a series of individual tasks.
- 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** Wages are divided equally between workers.

2 Which combination correctly identifies the rewards to each factor of production?

	capital	enterprise	labour	land
A	interest	profit	rent	wages
B	interest	profit	wages	rent
C	profit	interest	wages	rent
D	rent	wages	interest	profit

4 A country increases its spending on education and training. It pays for this by reducing unemployment benefit payments and increasing taxes on imports of machinery.

What is the likely effect of these changes?

	human capital	physical capital
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

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

- A** deciding on new export markets for the firm'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 technological improvements