2 A worker decides to leave their job as a bus driver and take a job as a lorry driver.

What will increase the opportunity cost of this decision?

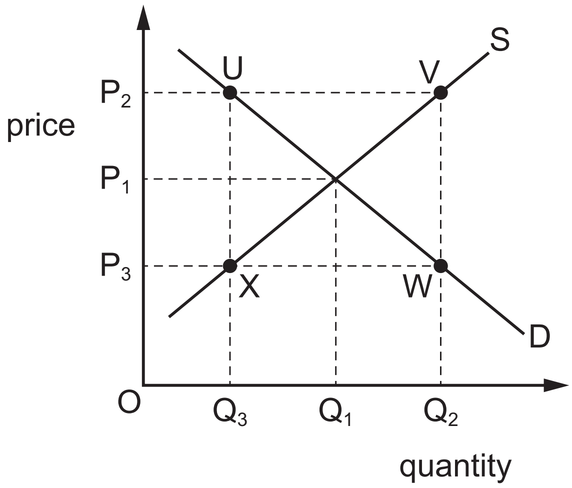
A an increase in the holidays for lorry drivers

B an increase in the income tax paid by bus drivers

C an increase in the wages of bus drivers

D an increase in the wages of lorry drivers

6 The diagram shows the market for a product.



Which distance shows a market disequilibrium caused by excess supply?

A U to V **B** U to X **C** V to W **D** X to W

IGCSE Economics: **s25 13**

14 What is most likely to increase the demand for labour in an industry?

A a decrease in the price of capital used by the industry

B a decrease in the productivity of labour in the industry

C an increase in the demand for the industry's product

D an increase in the wage paid to labour in the industry

IGCSE Economics: **m25 12**

4 What is an example of microeconomics?

A a fall in the cost of growing wheat

B a fall in the unemployment rate

C an increase in the rate of inflation

D an increase in government spending

6 The table shows the supply for a product at different prices.

price ($)	supply (units)
10	120
12	160
14	200
16	240
18	280

If the price changes from $12 to $14, what will be the change in supply?

A Supply will contract by 40 units and there will be a movement down along the supply curve.

B Supply will contract by 200 units and there will be an inward shift of the supply curve.

C Supply will extend by 40 units and there will be a movement up along the supply curve.

D Supply will extend by 200 units and there will be an outward shift of the supply curve.

9 A government intends to build a new international airport in an area of outstanding natural beauty.

What would be an external cost of this decision?

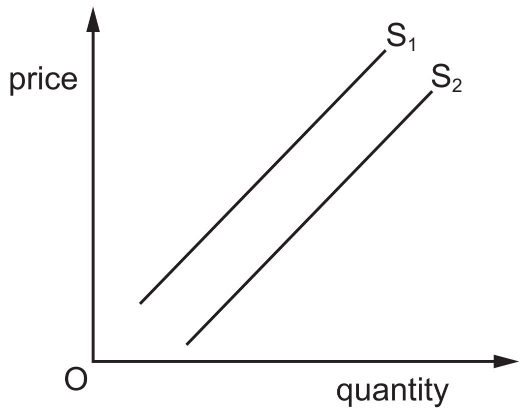
A the cost of importing construction materials

B the enjoyment lost by those unable to use the countryside

C the increase in profits for local businesses

D the wages paid to the construction workers

5 The diagram shows a shift in the supply curve for New Zealand's airlines from S_1 to S_2.



What is the most likely cause of this shift?

A a decrease in the costs of New Zealand's airlines

B a decrease in the number of people wanting to fly to New Zealand

C an increase in the price of train and bus travel in New Zealand

D an increase in the tax on air travel in New Zealand