

27 What is an advantage for consumers from international specialisation?

- A** competition between firms results in lower prices
- B** labour can move more freely between countries
- C** less wealth is created throughout the world
- D** multinational companies can increase their profits

16 What is likely to be found when there are many small firms in an industry?

- A** There are few barriers to entry.
- B** There is high expenditure on research and development.
- C** There is little competition.
- D** Very large capital costs are needed to establish a firm.

16 What would make the existence of a monopoly market more likely?

- A** consumers prefer a variety of choice in products
- B** significant economies of scale can be achieved
- C** there are low barriers to entry and exit for firms
- D** there are no restrictions on international trade

27 Which statement shows two benefits for consumers from specialisation at a national level?

- A** decreased prices and better quality
- B** decreased profits and high-quality raw materials
- C** increased choice and high transport costs
- D** increased productivity and increased economies of scale

16 A competitive industry becomes a monopoly.

What is the most likely advantage for consumers?

- A** consumer choice may increase
- B** economies of scale may reduce prices
- C** more goods may be produced
- D** prices may be set by market forces

8 What could **not** occur in a market economic system?

- A** a monopolist supplying specialist goods to the market
- B** excessive pollution created by power stations
- C** governments setting minimum wages to relieve poverty
- D** private ownership of firms making defence equipment