2. The allocation of resources

Starter Quiz · 课前小测

IGCSE Economics   Name: ____________________   Score: ________

1. A market is best defined as:
   - ☐ any system where buyers and sellers trade
   - ☐ a physical shop only
   - ☐ a government office
   - ☐ a place where only food is sold
2. The law of demand states that, other things equal, as price falls:
   - ☐ quantity demanded rises
   - ☐ quantity demanded falls
   - ☐ demand shifts left
   - ☐ supply rises
3. The law of supply states that, other things equal, as price rises:
   - ☐ quantity supplied rises
   - ☐ quantity supplied falls
   - ☐ supply shifts left
   - ☐ demand rises
4. Market equilibrium is where:
   - ☐ quantity demanded equals quantity supplied
   - ☐ price is highest
   - ☐ supply is zero
   - ☐ demand is zero
5. A rise in demand (the demand curve shifts right) leads to:
   - ☐ higher equilibrium price and quantity
   - ☐ lower price and quantity
   - ☐ higher price, lower quantity
   - ☐ no change
6. Price rises 10% and quantity demanded falls 30%. What is the size of PED?

   ____

7. Price rises 20% and quantity supplied rises 10%. What is PES?

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8. In a mixed economy, the government typically: (Select all that apply.)

   ☐ provides public goods

   ☐ provides merit goods like schools

   ☐ redistributes income

   ☐ sets every single price

   Tick every correct option.

9. Prices ration scarce goods to those willing and able to pay.

   ☐ True ☐ False

10. Demand requires being both willing and able to pay.

   ☐ True ☐ False

1. **any system where buyers and sellers trade**

   A market is any arrangement bringing buyers and sellers together.

2. **quantity demanded rises**

   Lower price, more demanded — the curve slopes down.

3. **quantity supplied rises**

   Higher price, more supplied — the curve slopes up.

4. **quantity demanded equals quantity supplied**

   Equilibrium clears the market — Qd = Qs.

5. **higher equilibrium price and quantity**

   More demand raises both equilibrium price and quantity.

6. **3**

   PED = 30% / 10% = 3 (ignoring the sign) — elastic.

7. **0.5**

   PES = 10% / 20% = 0.5 — inelastic.

8. **provides public goods; provides merit goods like schools; redistributes income**

   It corrects failures and provides essentials, but does not plan every price.

9. **True**

   Rationing is one of the key functions of the price mechanism.

10. **True**

    Wanting a good is not demand unless you can also afford it.