

# 1.3 Opportunity Cost

## Question Paper

Course	CIE IGCSE Economics
Section	1. The Basic Economic Problem
Topic	1.3 Opportunity Cost
Difficulty	Medium

**Time allowed:** 30  
**Score:** /20  
**Percentage:** /100

### Question 1

Explain **one** opportunity cost of conserving forests in Indonesia.

Refer to the [source material](#) in your answers

[2 marks]

### Question 2

**Explain**, using information from the extract, an opportunity cost of working.

Refer to the [source material](#) in your answers

[2 marks]

### Question 3

In 2017, the UK included bicycle helmets for the first time in its calculation of the consumer prices index (CPI). Many bicycle retailers now provide their customers with a choice of bicycle helmets. Estimates show that 25 million bicycle helmets are sold globally per year and the number sold is on a steady upward trend.

**Define** *choice* and give an example.

[2 marks]

### Question 4

It has recently been revealed that a king works as a part-time pilot for a multinational airline. Some pilots and police officers have left their jobs to become teachers and others have left to become sole traders. The wages teachers earn vary according to their age.

Explain why the opportunity cost of becoming a teacher for one worker may be greater than for another worker.

[4 marks]

**Question 5**

Explain an example of opportunity cost in the extract.

Refer to the [source material](#) in your answers.

**[4 marks]**

**Question 6**

Explain, using information from the extract, how the concept of opportunity cost affects all rubber farmers in Liberia.

Refer to the [source material](#) in your answers.

**[4 marks]**

**Question 7**

Swaziland is a small African country where six in ten people live in poverty and most firms are small and use little capital equipment. In October 2015 it opened a new airport. Some economists suggest that the building of the airport involved a high opportunity cost and caused a range of external costs. The building of the airport is part of the government's plan to turn the country from a developing into a developed country.

**Identify** the opportunity cost of building an airport?

**[2 marks]**