

3.6 Firms & Production

Question Paper

Course	CIEIGCSE Economics
Section	3. Microeconomic Decision Makers
Topic	3.6 Firms & Production
Difficulty	Medium

Time allowed: 10
Score: /3
Percentage: /100

Question 1

All countries need to produce food.

Which type of agriculture would make the best use of the resources of developing and developed economies?

	developing	developed
A	capital-intensive	capital-intensive
B	capital-intensive	labour-intensive
C	labour-intensive	capital-intensive
D	labour-intensive	labour-intensive

[1 mark]

Question 2

What is the main difference between capital-intensive production and labour-intensive production?

- A. the market structure of the production process
- B. the output that the production process creates
- C. the resources on which the production relies
- D. the size of the firm that uses the production process

[1 mark]

Question 3

The table shows units of output, value of output and number of people employed in an industry over three years.

	output (units, millions)	output value (\$ millions)	number employed (000)
year 1	10	10	5
year 2	21	25	7
year 3	32	40	8

What can be concluded from the table?

- A. Inflation has increased.
- B. Productivity has increased.
- C. Profit has increased.
- D. Working population has increased.

[1 mark]