

Nature of Economics

1. What is a Social Science?
2. What is an Economic Model?
3. Why do Economists use Models?
4. What does ceteris paribus mean?
5. Why is it difficult for Economists conduct scientific experiments?
6. What is a positive statement?
7. What is a normative statement?
8. Which 3 questions does the study of economics seek to answer?
9. What does 'scarcity' mean?
10. What is meant by a 'renewable resource'?
11. What is meant by a 'non-renewable resource'?
12. What is the Economic Problem?
13. What are the 4 factors of production?
14. What is the reward for enterprise?
15. What is the reward for Capital?
16. What is the reward for Land?
17. What is the reward for Labour?
18. Why do opportunity costs exist?
19. Give an example of an opportunity cost for a consumer
20. Give an example of an opportunity cost for a firm
21. Give an example of an opportunity cost for a Government
22. What is a Production Possibility Frontier/Curve?
23. Illustrate a point on the PPF at which the productive potential of the economy is maximised
24. Illustrate a point on the PPF which is unattainable at the current level of technology
25. Illustrate a point on the PPF where the allocation of resources is efficient
26. Illustrate a point on the PPF where the allocation of resources is inefficient
27. Illustrate actual economic growth on a PPF diagram
28. Illustrate potential economic growth on a PPF diagram
29. Explain 2 causes of an outward shift in the PPF
30. Explain 2 causes of an inward shift in the PPF
31. Illustrate opportunity cost on a PPF
32. What is the difference between consumer goods and capital goods?
33. What is the difference between actual and potential growth?
34. Explain why we would not want 100% of our production to be on capital goods
35. Explain why we would not want 100% of our production to be on consumer goods

