

## Economics as a Social Science

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?

## Positive and Normative statements

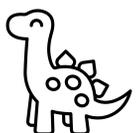
6. What is the difference between a positive and a normative statement?
7. Give 3 words or phrases which might suggest a normative statement
8. Give 3 words or phrases which might suggest a positive statement
9. Give an example of where a value judgement may be made in Economics

## The Economic Problem

10. Which 3 questions does the study of economics seek to answer?
11. What does 'scarcity' mean?
12. What is meant by a 'renewable resource'?
13. Give an example of a renewable resource
14. What is meant by a 'non-renewable resource'?
15. Give an example of a non-renewable resource
16. What are the 4 factors of production?
17. What are the rewards for each factor of production?
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

## Production Possibility Frontiers

22. What is a PPF?
23. Draw a PPF using the most typical labels for the axes
24. Illustrate a point on the PPF at which the productive potential of the economy is maximised
25. Illustrate a point on the PPF which is unattainable at the current level of technology
26. Illustrate a point on the PPF where the allocation of resources is efficient
27. Illustrate a point on the PPF where the allocation of resources is inefficient
28. Illustrate actual economic growth on a PPF diagram
29. Illustrate potential economic growth on a PPF diagram
30. Explain 3 causes of an outward shift in the PPF
31. Explain 2 causes of an inward shift in the PPF
32. Illustrate opportunity cost on a PPF
33. What is the difference between capital and consumer goods?
34. What is the difference between actual and potential growth?
35. Explain why we would not want 100% of our production to be on capital goods
36. Explain why we would not want 100% of our production to be on consumer goods



### Specialisation and the division of labour

36. Which Economist observed the division of labour in a pin factory?
37. What is specialisation?
38. How does the division of labour result in higher output?
39. How might the division of labour result in higher quality?
40. How might specialisation result in lower costs?
41. Give 4 disadvantages of specialisation in a firm
42. Explain each of the 5 functions of money

### Free market, mixed and command economies

43. Which economist is associated with free market economies?
44. What is a free market economy?
45. How are the 3 fundamental questions of economics answered in a free market?
46. Give 3 advantages of a free market economies
47. Give 4 disadvantages of free market economies
48. Which economist is associated with command economies?
49. What is a command economy?
50. How are the 3 fundamental questions of economics answered in a command economy?
51. Give 4 advantages of command economies
52. Give 3 disadvantages of command economies
53. Which economist is associated with mixed economies?
54. What is a mixed economy?
55. How are the 3 fundamental questions of economics answered in a mixed economy?
56. What is the role of the state in a mixed economy?

