
(production)

3. The effect of improved technology on output (production)

- The optimum point of production is the point of production where resources are not seen to be under used/wasted

Student Learning Activity (FODE):

For Questions 1 to 14, circle the correct answer.

1. Which of the following can be classified as wants?

- A. sandwich, shirt, house
 - B. shoe, car, food
 - C. fridge, washing machine, water
 - D. laptop, camera, mobile
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2. Which of the followings can be classified as needs?

- A. clothes, food, house
 - B. shoe, car, food
 - C. fridge, washing machine, water
 - D. laptop, camera, mobile
-

3. After having your dinner you would like to have a coke. Which characteristic of wants does this falls under?

- A. some wants are complementary
- B. some wants are recurring
- C. satisfaction of one want generates a new want
- D. wants vary between person, time and place.

4. You bought a motorcycle and you want to fill it up with fuel to go for a ride. What characteristic of want is that?

- A. some wants are complementary
 - B. some wants are recurring
 - C. satisfaction of one want generates a new want
 - D. wants vary between person, time and place
-

5. People in Port Moresby are always out during the day with a T-Shirt or a Singlet while in Enga most people would prefer to go out-door with a jacket. What characteristic of wants is that?

- A. some wants are complementary
 - B. some wants are recurring
 - C. satisfaction of one want generates a new want
 - D. wants vary between person, time and place
-

6. A young man would prefer to drive a sports car while a family man would like to have a station wagon. What characteristic of want is that?

- A. some wants are complementary
 - B. some wants are recurring
 - C. satisfaction of one want generates a new want
 - D. wants vary with age
-

7. If the society benefits from the government's funding, then it is viewed as a

- A. social cost
- B. private cost
- C. private benefit
- D. social benefit

8. If you enjoy watching TV with your new Samsung Galaxy S5 smart phone, it is viewed as a;

- A. social cost
 - B. private cost
 - C. private benefit
 - D. social benefit
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9. If you lose K500 on pokies, how do you view this loss?

- A. social cost
 - B. private cost
 - C. private benefit
 - D. social benefit
-

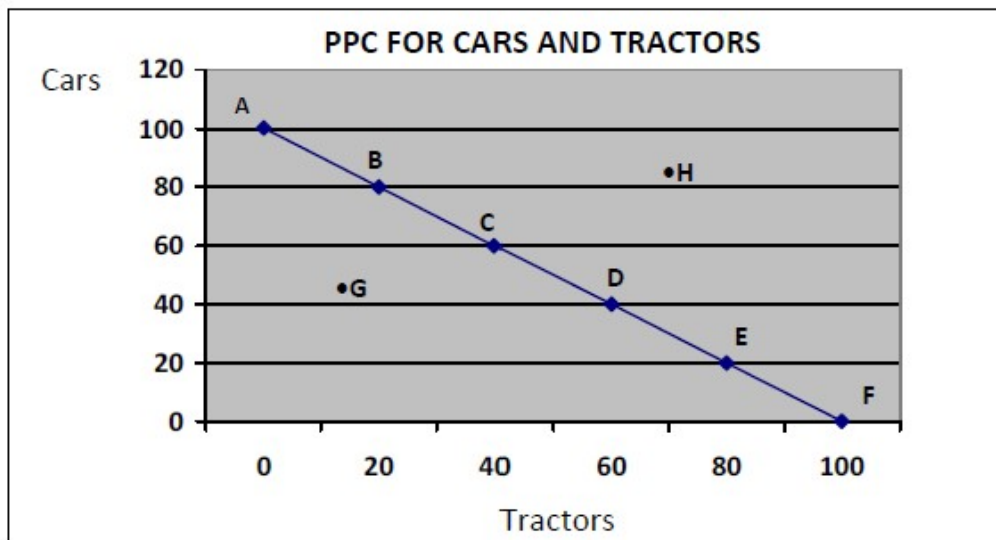
10. The recent killing which resulted in the blocking of the Highlands Highway is viewed as;

- A. social cost
 - B. private cost
 - C. private benefit
 - D. social benefit
-

11. Opportunity cost is defined as the;

- A. cost in terms of the alternative you have sacrificed
- B. monetary cost of the alternative you have sacrificed
- C. value of the alternative you have sacrificed
- D. cost in terms of the alternative you have chosen

12. Study this PPC below and answer the questions that follow.



- i. How many tractors are produced at point A?

A. 100 tractors	B. 0 tractors
C. 20 tractors	D. 80 tractors

- ii. How many cars are produced at point A?

A. 100 cars	B. 0 cars
C. 20 cars	D. 80 cars

- iii. What is the opportunity cost of producing cars at point A?

A. 0 units of tractor	B. 80 units of tractor
C. 100 units of tractor	D. 40 units of tractor

- iv. If tractors are now produced at point F, what would be the opportunity cost?

A. 120 units of cars	B. 100 units of cars
C. 0 units of cars	D. 80 units of cars

13. John receives K20 a week as his pocket money for doing household chores. He also works as a packer at stop N shop supermarket at weekends and earn K100 per week. He is saving his income to buy either a BMX bike or a Nike sneaker.

Tick the boxes beside two direct factors that will influence John to buy the Nike sneaker.

(i) John's income	<input type="checkbox"/>
(ii) The price of the Nike sneaker	<input type="checkbox"/>
(iii) The cost of producing the Nike sneaker	<input type="checkbox"/>
(iv) The development of design and manufacture of Nike sneakers	<input type="checkbox"/>
(v) The price of the BMX bike	<input type="checkbox"/>

14. Using the formula Opportunity Cost = Loss ÷ Gain, calculate the opportunity cost for producing one unit of each good at each point of production.

Do your calculation and fill in the table below.

Point of Production	Producing Cars	Producing Tractors
A		
B		
C		
D		
E		
F		

15. Explain why air and water (rain or rivers) are considered as free goods?
