Introduction to Economics Test

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ECONOMICS – HIGHER LEVEL

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

September

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

| **Part A**Short Questions  | Mark | **Part B****Long Questions**  | Mark |
| --- | --- | --- | --- |
| Question 1 |  | Question 6 |  |
| Question 2 |  |  |  |
| Question 3 |  |  |  |
| Question 4 |  |  |  |
| Question 5 |  |  |  |
| **Comments on test:**  |
|
|

**PART A**

Answer **all** questions in the spaces below

**Question 1**

1. Select, using a tick, whether each of the following statements are normative or positive statements.

| **Statement**  | **Positive** | **Normative**  |
| --- | --- | --- |
| If the Irish government increase jobseekers allowance by 5% in the 2022 budget, unemployment in Ireland will increase by at least 2% by 2023.  |  |  |
| We have to do more for the less well off in society  |  |  |
| The government should have increased unemployment benefit by more than 10 cents this years  |  |  |
| Sales of new cars in Ireland decreased during 2020. |  |  |

1. Distinguish between normative and positive statements

|  |
| --- |
|  |
|  |
|  |
|  |

**Question 2**

1. Define the term Economics

|  |
| --- |
|  |
|  |
|  |

1. Name two economists that you have studied

|  |
| --- |
|  |

1. Describe the political policies of one of these economists

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

**Question 3**

1. List 3 pillars of sustainability

|  |
| --- |
|  |
|  |

1. Explain two relevant examples that the Irish government can take to be more sustainable.

|  |
| --- |
|  |
|  |
|  |

C. List two SDGs

|  |
| --- |
|  |

**Question 4**

The Irish government is under pressure to restore public sector pay to pre-financial crisis levels. Outline two opportunity costs for the Irish economy.

|  |
| --- |
|  |
|  |
|  |

B. Outline why opportunity cost is fundamental to the study of economics

|  |
| --- |
|  |
|  |
|  |
|  |

C. Explain the concept of the Equi-marginal principle of Consumer Behaviour

|  |
| --- |
|  |
|  |
|  |

**Question 5**

Explain the three types of economies that exist and give an example of each

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

**PART B**

**Question 6**

1. Draw the production possible curve for carrots and cotton for Nation X. Using the labels below, indicate on the graph the following scenarios

| A | Under utilisation of nations resources  |
| --- | --- |
| B | 100% of nations resources used to produce chocolate  |
| C | Irrigation of land  |
| D | 50% resource used to produce carrots and 50% resources used to produce cotton  |

| **PPC Curve for Nation X** |
| --- |

1. Explain what it is meant by the term trade off in relation to the above example

|  |
| --- |
|  |
|  |
|  |
|  |

C. State and explain the characteristics of an “economic good”?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

D. Explain three assumptions of consumer behaviour.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
| 3.  |
|  |
|  |

E. Define the law of diminishing marginal returns and illustrate with a suitable example.

|  |
| --- |
|  |
|  |
|  |

F. State and explain three assumptions under the Law of Diminishing Marginal Utility

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

G. Explain the causes of the Irish recession 2007 to 2013 (use statement and explain below)

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

 **Additional space to write**

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

**Test reflection**

1. **How many hours did you spend studying for this test?**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **How do you feel you studied for this test:**
2. To the best of my ability
3. I could have done more
4. I did not study for this test
5. Anticipated Grade: \_\_\_\_\_\_\_\_\_\_\_\_\_

1. Outline two things that you did well and two things you could improve further.

What I did well:                                         What I could improve on:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2.                 2.