

1. Chapter: Introduction to economics and economic systems

1. Define the following economic terms:
 - a) Efficiency
 - b) Free goods
 - c) Scale of preference
 - d) Need
 - e) Economy
- a) Scarcity
- b) Economic goods
- c) Opportunity cost
- d) Want
- e) Economics
2. Write Abraham Maslow's hierarchy of needs.
3. Distinguish between want and need.
4. Economies are structured into four main sectors. Name and describe them.
5. Explain why scarcity of resources leads to choice.
6. What are the three basic economic problems?
7. What are the likely effects or consequences in a mixed economy where more economic decisions are made by the government rather than the private sector?
8. What are the likely effects or consequences in a mixed economy where more economic decisions are made by the private sector rather than the government?
9. Explain the characteristic features of the free market economy.
10. Explain the characteristic features of the planned economy.
11. List factors of production and each of them provide with one example.
12. What do you understand by the term "human capital".
13. Draw the graph of production possibility frontier.
14. Explain if it is possible and how to shift the PPF.
15. What is the basic economic problem?
16. The basic factors of production are:
 - a) Machines, buildings and capital
 - b) Land, labour and capital
 - c) Production, investments and capital
17. List the earnings for the factors of production.
18. The benefit of the next best alternative foregone because of a particular choice is called _____.
19. The central problem in economics is _____.
20. Person who makes and sells goods and services is called _____.
21. Using up of goods and services to satisfy wants _____.
22. Things that satisfy a want but do not involve the exchange of a good is _____.
23. Part of the economy owned by the individuals and firms but not by the government is called _____.
24. Person who buys and uses goods and services to satisfy his or her wants is called _____.
25. Another name for human resources _____.
26. Activity designed to satisfy human wants is called _____.
27. What is the aim of producing goods and services for firms in a market economy?
28. What are the problems associated with Government planning in a planned economy?
29. In a market economy how do firms decide how to produce goods and services?
30. How do firms in a market economy decide what to produce?