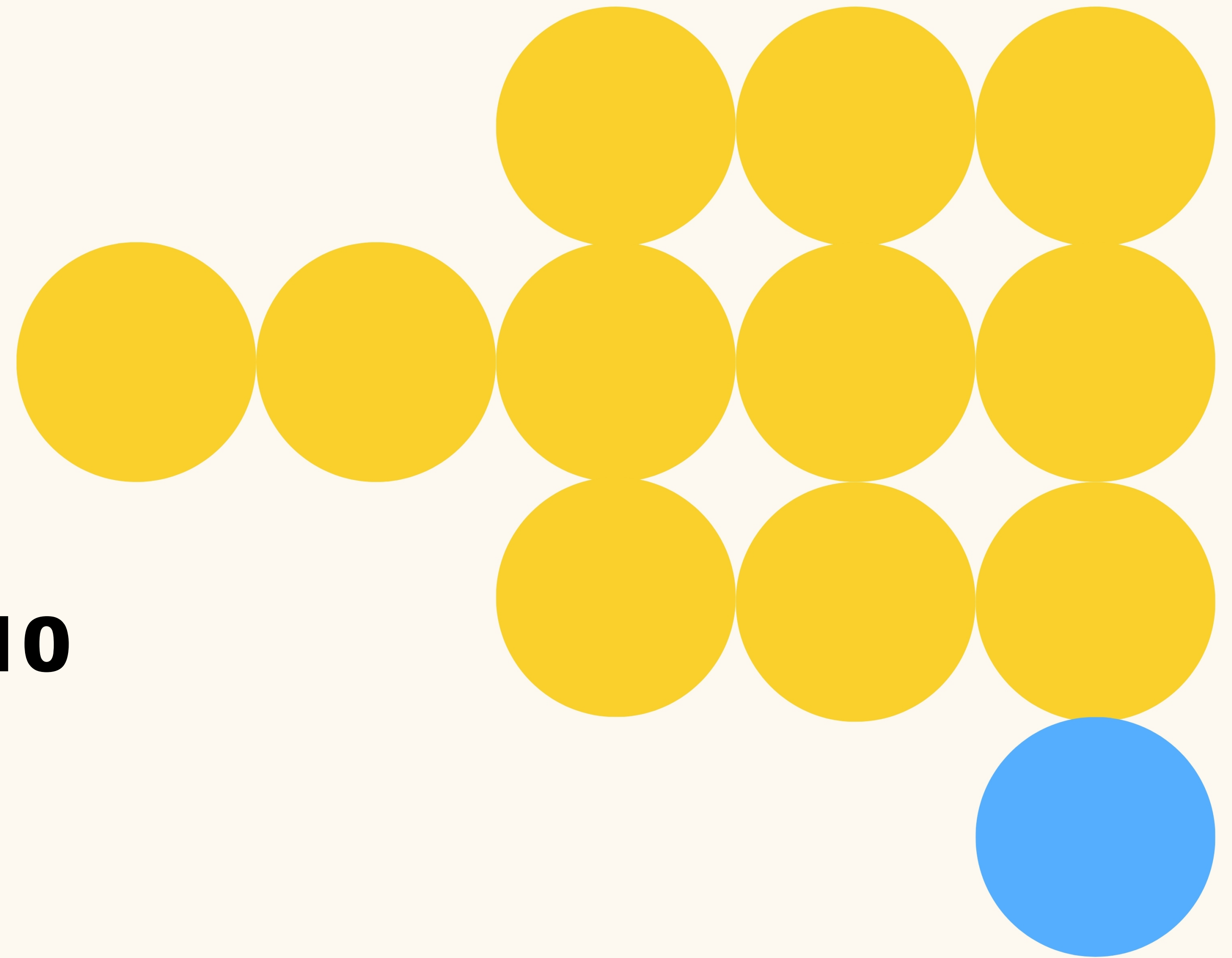


# Firms

## Microeconomics - year10



# Agenda

Drive growth of monthly sales volume of purchases

- Multiple choice
- Essay

Be the most desirable brand



# Recap

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**IGCSE Economics Exam Crash Course by Knockout.Economics**

**Chapter21 : Firms and production**

# Part1-Multiple choice

**1. Factory decides to change from a labour intensive production to capital intensive production method. What is likely to decrease as a consequence of the change?**

- A. Productivity
- B. The total output
- C. Average total cost
- D. Fixed cost

# Part1-Multiple choice

**2. Which factor is most likely to promote capital-intensive production methods in a low-income economy?**

- A) High costs of capital equipment
- B) Grants from foreign aid programs
- C) Availability of local, low-cost labor
- D) Lack of highly trained supervisors

# Part1-Multiple choice

**3. A farmer introduces machinery to help workers at harvest time. The farmer also reduces the number of workers by 20%. As a result, the total harvest increases by 10%. What has happened?**

- A. Labour productivity has decreased and production has decreased.
- B. Labour productivity has decreased and production has increased.
- C. Labour productivity has increased and production has decreased.
- D. Labour productivity has increased and production has increased.

# Part2- Essay

1. Discuss whether labor-intensive production methods could negatively impact an economy. [8]

# The End

