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Level: Edexcel IGCSE Economics (4EC1)

Subject: Economics

Topic: IGCSE Economics

Type: Topic Question

2002



1583

Economics Edexcel IGCSE
To be used for all exam preparation for 2025+

ECONOMICS

IGCSE

Key skills

****Question 1:****

Why do consumers have to make choices when spending their income?

- A. Advertising encourages consumer spending.
- B. Consumers have unlimited incomes.
- C. Consumer wants cannot all be satisfied with their income.
- D. Not all products will be attractive to consumers.

[1 mark]

****Question 2:****

What is meant by the term "opportunity cost"?

- A. The price paid for a good or service.
- B. The next best alternative forgone.
- C. The value of all alternatives available.
- D. The cost of producing a product.

[1 mark]

****Question 3:****

Which of the following best describes a rational decision by consumers?

- A. Purchasing the most expensive product available.
- B. Buying a product based on peer pressure.
- C. Choosing a product that maximizes satisfaction.
- D. Purchasing goods impulsively without thought.

[1 mark]

****Question 4:****

Why do firms aim to maximize profits?

- A. To provide more jobs for employees.
- B. To increase market share.
- C. To reduce production costs.
- D. To satisfy shareholders.

[1 mark]

****Question 5:****

Which of the following is an assumption of traditional economic theory about consumers?

- A. Consumers always make choices that increase their wealth.
- B. Consumers act to maximize their personal satisfaction.
- C. Consumers only buy products on sale.
- D. Consumers do not compare products.

[1 mark]

****Question 6:****

Why might consumers make irrational choices?

- A. Due to lack of perfect information.
- B. Because they always consider the opportunity cost.
- C. To increase their wealth in the long term.
- D. Because they have access to all available resources.

[1 mark]

****Question 7:****

What is the key factor limiting the ability of consumers to satisfy all their wants?

- A. Unlimited resources.
- B. Scarcity of resources.
- C. Advertising restrictions.
- D. Availability of substitutes.

[1 mark]



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