1. From the following list, decide which items are human **needs** and which are **wants**:

* Luxury House, Shelter, Coca-Cola, Car, Clean Water, Designer Jeans, Clothing [3]

1. Explain what is meant by *scarcity*when referring to the economic problem [3]
2. List the **4** factors of production and explain briefly and explain briefly why each   
   is necessary for production to take place [8]
3. Explain, with the aid of an example, what the term ***opportunity cost*** means to a consumer [3]
4. Give **2** other examples of opportunity cost that would affect groups other than consumers [2]
5. Explain what is meant by the term ***division of labour*** [2]
6. Why is a business likely to increase output if it adopts ***division of labou*r**[2]
7. List **4** tasks involved in the making of cakes that could be given over to different   
   workers through division of labour [2]
8. State **3** benefits to society of business activity [3]
9. What is meant by ***added value*** [2]
10. Identify and explain **2** ways in which a retailer of clothes could *add value* to their products. (Hint: the answer is *not* to buy more expensive clothes for the shop as   
    this will not necessarily add value.) [6]