

1. 2009.MC.Q1

Free goods

- A. are unlimited in supply.
- B. are goods for which people will not pay a price to get more.
- C. can be found only in a planned economy but not in a market economy.
- D. exist only in theory but not in the real world.

2. 2009.MC.Q2

Which of the following situations will increase the opportunity cost to Form 7 graduates of receiving a university education?

- (1) The university undergraduate programme increases from 3 years to 4 years.
 - (2) The wage rate of Form 7 graduates increases.
 - (3) The academic performance of university graduates generally declines.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

3. 2009.MC.Q3

A large number of pregnant mainland women give birth to babies in Hong Kong's public hospitals. Some people have suggested imposing an additional surcharge on these women so as to reduce the number of them in Hong Kong's public hospitals.

The above suggestion concerning the service of the public hospitals in Hong Kong is the _____ question in Economics.

- A. 'how to produce'
- B. 'for whom to produce'
- C. 'what to produce'
- D. 'how and for whom to produce'

4. 2009.MC.Q4

Which one of the following statements about a market-oriented economy is correct?

- A. People who live in a market economy are richer than those in a planned economy.
- B. Most resources are used for producing consumer goods.
- C. Most markets are perfectly competitive.
- D. Most resources are privately owned.

5. 2010.MC.Q1

Which one of the following statements about scarcity is correct?

- A. A good is scarce when only a small quantity of it is available..
- B. A good is scarce when people want to have more of it.
- C. There is no scarcity in a planned economy.
- D. The problem of scarcity can be solved by adjusting prices.

6. 2010.MC.Q2

Julie is choosing between Hong Kong and the US to complete her university education. Her opportunity cost of studying in the US will increase when

- A. The number of scholarships offered by the universities in the US increases.
- B. The tuition fee of the universities in Hong Kong increases.
- C. The university graduates of Hong Kong become less competitive in the job market than those of the US.
- D. The standard of professional training programs offered by the universities in Hong Kong improves.

7. 2010.MC.Q3

Which of the following illustrates the 'For whom to produce' question in Economics?

- A. Local manufacturers set up factories in Guangdong to lower production costs.
- B. The local government is developing cruise tourism in Hong Kong and the Asia Pacific region.
- C. The Hong Kong Science Museum offers free admission to full-time students and senior citizens.
- D. More Hong Kong licensed banks are engaged in the issuance of Renminbi bonds.

8. 2010.MC.Q5

In a market-oriented economy,

- A. most markets are perfectly competitive.
- B. most resources are allocated by prices.
- C. most production plans are made by the central authority.
- D. most firms produce consumer goods.

9. 2011.MC.Q2

A piece of land can be used for the construction of a high speed railway, a highway, a tunnel or a cultural hub. Suppose the money value of the expected return generated by each project is \$800 000, \$750 000, \$650 000 and \$550 000 respectively.

The opportunity cost of using this piece of land for the construction of a highway is _____ and the opportunity cost of using this piece of land for the construction of a tunnel is _____.

- A. \$650 000 ... \$550 000
- B. \$750 000 ... \$650 000
- C. \$800 000 ... \$750 000
- D. \$800 000 ... \$800 000

10. 2011.MC.Q3

Suppose the government provides more subsidized housing to the middle-income group. This policy relates to the _____ question in economics.

- A. 'what to produce'
- B. 'how to produce'
- C. 'for whom to produce'
- D. 'what and for whom to produce'

11. 2011.MC.Q4

Hong Kong is regarded as a market-oriented economy because _____.

- A. the per capital real gross domestic product (GDP) is relatively high..
- B. income is unevenly distributed
- C. most of the resources are allocated by the price mechanism
- D. most of the infrastructure is owned and controlled by private individuals

12. SP.MC.Q1

The existence of scarcity implies that

- A. human wants are unlimited.
- B. all goods are economic goods.
- C. there is a cost in obtaining some goods.
- D. each and every economic good must have a market price.

13. SP.MC.Q2

Mary is choosing between two ways of spending her Christmas vacation: to work for her uncle and earn \$3 000 or to join a cultural tour to Beijing.

Which of the following will lower Mary's opportunity cost of working for her uncle?

- A. Mary's uncle reduces her wage to \$2 000.
- B. The fee for the cultural tour decreases.
- C. An attractive section of the cultural tour is cancelled.
- D. Mary's uncle agrees to employ her best friend to work with her.

14. SP.MC.Q3

A positive statement

- A. is always true.
- B. is refutable with facts.
- C. may contain a value judgment.
- D. may be the same as a normative statement if certain values are shared by many people.

15. SP.MC.Q10

Peter Pang is an indigenous male resident in the New Territories. Which of the following are guided by price signals?

- (1) He buys a concessionary house (丁屋) from his cousin.
 - (2) He is given a red packet by the Indigenous Inhabitant Representative (原居民代表) during the Lunar New Year.
 - (3) He rents one of his concessionary houses to a tenant who is not an indigenous resident.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

16. PP.MC.Q1

In the absence of scarcity,

- (1) there will be no discrimination.
 - (2) there will be no market price.
 - (3) there will be no goods.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

17. PP.MC.Q2

Mr. Chan spent \$5 000 on buying a new mobile phone which can be sold for \$7 000 in the second-hand market. Mr. Chan's cost of keeping the mobile phone is _____.

- A. \$0
B. \$2 000
C. \$5 000
D. \$7 000

18. PP.MC.Q3

Which of the following statements about interest are correct?

- (1) Interest is a premium received for postponing current consumption.
 - (2) An interest rate does not exist in a barter economy.
 - (3) A fall in the interest rate increases present consumption.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

19. 2012.MC.Q1

Which of the following statements are positive statements?

- (1) More workers will be employed on a part-time basis after the imposition of a minimum wage.
- (2) Less low skilled workers will be unemployed after the imposition of a minimum wage.
- (3) Meal times should be counted as working time in the calculation of a minimum wage.
- (4) The imposition of a minimum wage widens the income gap between the rich and the poor.

- A. (2) and (3) only
- B. (1) and (4) only
- C. (1), (2) and (3) only
- D. (1), (2) and (4) only

20. 2012.MC.Q2

Mr Kwok plans to purchase a new racing car from a German automobile manufacturer and drive the car in Hong Kong. In which of the following situations will the cost of purchasing the racing car increase?

- A. The first registration fee increases.
- B. The price of gasoline increases.
- C. The Euro depreciates against the Hong Kong dollar.
- D. The racing car performs poorly.

21. 2012.MC.Q3

Which of the following statements about interest is correct?

- A. People will reduce current consumption when the interest rate drops.
- B. The interest rate will be zero if there is no inflation.
- C. Interest does not exist in a planned economy.
- D. Interest still exists without money.

22. 2013.MC.Q1

The Hong Kong government proposes to build new towns with residential flats and shopping malls in the North District. However, there are concerns about the ratio of public housing to private housing, Some people are also worried about the size of shopping malls, which may mainly serve mainland tourists.

The above case is related to the _____ question(s) in Economics.

- A. “for whom to produce”
- B. “what to produce” and “how to produce”
- C. “what to produce” and “for whom to produce”
- D. “how to produce” and “for whom to produce”

23. 2013.MC.Q2

Jeremy is going to watch a tennis match in which Li Na(李娜), a Grand Slam(大滿貫) winner, will play. Which of the following will increase the cost of Jeremy of watching the tennis match?

- A. He is 30 minutes late for the match due to traffic congestion.
- B. His view is blocked by the spectators in front of him.
- C. Due to rainstorm, the match is extended by an hour.
- D. Li Na is injured and does not show up for the match.

24. 2014.MC.Q1

A famous football team, Manchester United, visited Hong Kong for a friendly match. The day before the match, the team found the pitch in the Hong Kong Stadium had been damaged by prolonged rain and it considered cancelling the match. The opportunity cost for Manchester United to continue playing in such a poor pitch would _____ because _____.

- A. increase ... there was a higher chance for the players to get injured
- B. increase ... the team was likely to have poor performance
- C. remain unchanged ... the expense on the visit to Hong Kong had already been paid
- D. remain unchanged ... the players spent the same amount of time in Hong Kong

25. 2014.MC.Q3

An economic good

- A. Is a good with its demand greater than its supply.
- B. Brings us more satisfaction than a free good.
- C. Is a good whose quantity available cannot satisfy human wants at zero price.
- D. Cannot be found free of charge in any economy.

26. 2014.MC.Q4

Mei Ho House(美荷樓), a public housing block built in the 1950s, was recently graded as a historic building in Hong Kong. The building was then turned into a hostel which provides double rooms, family rooms and disabled rooms. The above case is related to the _____ question(s) in Economics.

- A. “how to produce”
- B. “for whom to produce”
- C. “what to produce” and “how to produce”
- D. “what to produce” and “for whom to produce”

27. 2015.MC.Q1

Which of the following are positive statements?

- (1) Importation of labour from the mainland would result in a rise in job vacancies in Hong Kong.
 - (2) It would be better to import labour from Guangdong province because they can speak Cantonese.
 - (3) Productivity of labour from China is higher than that from other Southeast Asian countries.
 - (4) Unemployment rate in Hong Kong would raise by 15% as a result of labour importation of 30 000 from the mainland.
- A. (1) and (2) only
 - B. (3) and (4) only
 - C. (1), (3) and (4) only
 - D. (2), (3) and (4) only

28. 2015.MC.Q2

David can choose to take the MTR or a bus to Yuen Long. Suppose the required travel time and the fares of both options are the same in a normal situation. Which of the following will result in an increase in the opportunity cost of travelling to Yuen Long by MTR?

- A. The air-conditioner on the bus is out of order.
- B. The traffic jam makes the bus trip 15 minutes longer.
- C. A signalling problem causes the travel time of the MTR to increase by 15 minutes.
- D. David feels annoyed about the news broadcast in the MTR train.

29. 2015.MC.Q3

Which of the following is a characteristic of a market economy?

- A. Income distribution is uneven in the economy.
- B. The government has no role in regulating business activities in the economy.
- C. Most factors of production in the economy are privately owned.
- D. There is only price competition in the economy.

30. 2016.MC.Q1

Which of the following about economic goods is correct?

- A. Economic goods may not be scarce.
- B. People compete for economic goods.
- C. People prefer economic goods to free goods.
- D. People compete for both economic goods and free goods.

31. 2016.MC.Q2

During the Hong Kong Computers and Communications Festival, the organisers distribute USB flash drives to the participants as gifts. To the organisers, these USB flash drives are _____,

- (1) economic goods
- (2) producer goods
- (3) consumer goods

- A. (2) only
- B. (3) only
- C. (1) and (2) only
- D. (1) and (3) only

32. 2016.MC.Q3

Mr. Ng, a Hong Kong citizen, is going to travel to Tokyo for leisure. Which of the following will decrease his cost of having the trip?

- A. A typhoon is approaching Tokyo right before his trip.
- B. His boss is going to treat all the staff to a free buffet during his leave.
- C. The scenery in Tokyo is better than he expected.
- D. Japanese Yen depreciates against other currencies.

33. 2016.MC.Q4

Which of the following statements about interest are correct?

- (1) Interest is the compensation for deferring consumption.
- (2) Interest exists because people are impatient to wait.
- (3) Interest exists in a barter economy.

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

34. 2016.MC.Q5

Marlene had bought a cookery book from a bookstore. Her friend, Kitman, said to her, “You have private property rights to this cookery book.” Which of the following rights would Marlene have after the purchase of the book?

- (1) To follow the recipes in the book in preparing a dinner for Kitman
- (2) To scan and upload the whole book to her blog
- (3) To leave the book on the bookshelf without reading it
- (4) To lend the book to Kitman and ask for a dinner in return

- A. (1), (2) and (3) only
- B. (1), (2) and (4) only
- C. (1), (3) and (4) only
- D. (2), (3) and (4) only

01MC1 Answer

1.	B	11.	C	21.	D	31.	C
2.	A	12.	C	22.	C	32.	D
3.	B	13.	C	23.	C	33.	D
4.	D	14.	B	24.	A	34.	C
5.	B	15.	B	25.	C	35.	
6.	D	16.	A	26.	D	36.	
7.	C	17.	D	27.	C	37.	
8.	B	18.	B	28.	C	38.	
9.	D	19.	D	29.	C	39.	
10.	D	20.	A	30.	B	40.	