

1. 2009.MC.Q14

Some resort hotels in Japan provide natural hot springs for their customers. These resort hotels are engaged in \_\_\_\_\_ and these hot springs are classified as \_\_\_\_\_.

- A. primary production ... producer goods
- B. tertiary production ... producer goods
- C. secondary production ... consumer goods
- D. tertiary production ... consumer goods

2. 2009.MC.Q15

Which of the following belongs to the factor of production 'land'?

- A. Endangered species of Tibetan antelope (藏羚羊) found on the Tibetan Plateau (青藏高原)
- B. Flowers planted in Hong Kong Disneyland
- C. Crocodiles living in Hong Kong Westland Park
- D. Oxygen provided in the trains running across the Tibetan Plateau

3. 2009.MC.Q16

If the government raises the legal retirement age,

- A. The occupational mobility of workers will increase.
- B. The average labour productivity will increase.
- C. The supply of labour will increase.
- D. More division of labour will be practised.

4. 2009.MC.Q17

Which of the following is a possible reasons for increase in average labour productivity resulting from practising division of labour?

- A. Fewer capital goods are required.
- B. The occupational mobility of workers is higher.
- C. The total wage income of workers is higher.
- D. Time is saved from moving workers between different tasks.

5. 2009.MC.Q18

Whose employer would have the highest cost in monitoring the performance of his work?

- A. An office clerk who is paid with a fixed monthly salary
- B. A property agent who is paid through commission
- C. A tourist guide who is paid with tips
- D. A movie star who shares the profit with his film producer

## 6. 2010.MC.Q15

Study the following information about an economy

	% of total employment	
	In 1999	In 2009
Primary production	39	5
Secondary production	21	30
Tertiary production	40	65
<i>(Total)</i>	<i>100</i>	<i>100</i>

From the above table, we can conclude that

- A. The primary sector's relative importance in total employment has decreased in 2009 because its average labour productivity has increased.
- B. Most people have higher living standard in 2009 than in 1999.
- C. The number of workers engaged in the secondary sector in 2009 may be larger or smaller than that in 1999.
- D. The tertiary sector contributes the largest share to the gross domestic product (GDP) for 2009.

## 7. 2010.MC.Q16

A large supermarket chain store is composed of different sections: marketing, sales, delivery, accounts and management. An advantage of the above arrangement is:

- A. The staff will have a higher working incentive.
- B. A greater variety of services can be provided to customers.
- C. The supermarket chain store can enjoy economies of scale.
- D. The supermarket chain store can save on the cost of training its staff.

## 8. 2010.MC.Q17

Which of the following about 'land' and 'capital' is correct?

- A. Both land and capital can be increased by human effort.
- B. Both land and capital are fixed factors of production.
- C. Land is more elastic in supply than capital
- D. Land is less geographically mobile than capital.

## 9. 2010.MC.Q18

Which of the following will increase the average labour productivity?

- (1) The number of promotion posts increases.
  - (2) The number of retired workers increases.
  - (3) Production become more capital-intensive.
- A. (1) and (2) only
  - B. (1) and (3) only
  - C. (2) and (3) only
  - D. (1), (2) and (3)

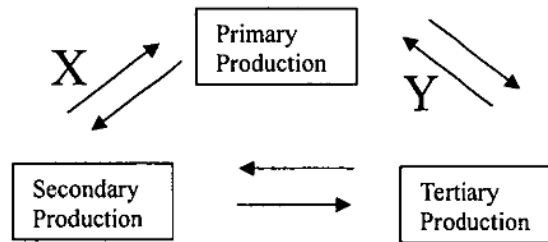
10. 2010.MC.Q20

Which of the following would decrease the labour supply of Hong Kong?

- A. Better and more job opportunities in mainland China
- B. The imposition of a minimum wage law for low-skilled workers in Hong Kong
- C. A lower average salaries tax rate in Hong Kong
- D. An increase in the retirement age in Hong Kong

11. 2011.MC.Q14

The following diagram shows the interrelationship of the three stages of production. What do X and Y stand for respectively?



- A. Producer goods; services
- B. Producer goods; consumer goods
- C. Raw materials; services
- D. Natural resources; producer goods

12. 2011.MC.Q15

Which of the following is an advantage of division of labour?

- A. Capital goods can be more fully utilized.
- B. The risk of unemployment is lowered.
- C. Different stages of production become more independent.
- D. A wider choice of goods and services can be provided.

13. 2011.MC.Q16

In economics, a medical doctor in the public hospital provides the service of \_\_\_\_\_ and he engages in \_\_\_\_\_ production.

- A. entrepreneurship ... secondary
- B. entrepreneurship ... tertiary
- C. labour ... secondary
- D. labour ... tertiary

14. 2011.MC.Q17

Miss Chan rents a studio to record songs. In economics, the studio is classified as \_\_\_\_\_ and the rental income of the studio owner is classified as \_\_\_\_\_.

- A. land ... rent
- B. land ... profit
- C. capital ... profit
- D. capital ... interest

15. 2011.MC.Q18

Which of the following will raise the average productivity of labour?

- (1) Extending free education to tertiary level
  - (2) Raising the retirement age
  - (3) Expanding vocational training for workers
- A. (1) and (2) only
  - B. (1) and (3) only
  - C. (2) and (3) only
  - D. (1), (2) and (3)

16. SP.MC.Q5

Which of the following is an example of public good?

- A. a study room provided by a charity organization
- B. a public football court
- C. a poem by Li Bai (李白)
- D. an abandoned factory building

17. SP.MC.Q6

Which of the following would raise the average labour productivity?

- A. an increase in the number of imported foreign specialists
- B. an increase in the average working hours
- C. a ban on the use of environmentally harmful machines
- D. a cut in government subsidies for continuing education

18. PP.MC.Q4

Which of the following descriptions about the relationship between the three types of production is correct?

- A. Primary production provides raw materials for the other types of production.
- B. Secondary production does not rely on tertiary production to produce finished goods.
- C. Tertiary production relies only on primary production.
- D. The three types of production are independent, and tertiary production is the most important.

19. PP.MC.Q6

A worker is paid by the quantity he produced instead of receiving a monthly salary. Which of the following statements is **INCORRECT**?

- A. The worker tends to produce more output.
- B. The quality of the output tends to be lower.
- C. The cost of monitoring the worker regarding shirking will be lower.
- D. The income of the worker will increase.

20. 2012.MC.Q4

A parking lot in the government headquarter is reserved for government officials. The parking lot is \_\_\_\_\_ because \_\_\_\_\_.

- A. a private good ... it is for private use only
- B. a private good ... concurrent consumption is not possible
- C. a public good ... the government owns it
- D. a public good ... no one has an exclusive right to use

21. 2012.MC.Q5

The occupational mobility of labour in an economy will increase when

- A. The cross-border railway network is improved.
- B. Licenses are required for more types of job in the labour market.
- C. Tax allowances are provided for continuing education.
- D. There is a greater degree of specialisation in production.

22. 2012.MC.Q6

Which of the following policies will result in an increase in the labour force of Hong Kong?

- A. Extension of free education from 9 years to 12 years
- B. An increase in the minimum capital requirement of the Capital Investment Entrant Scheme (資本投資者入境計劃)
- C. An increase in the immigration scheme quota for talented persons from the mainland
- D. Introduction of maximum working hours

23. 2012.MC.Q7

Some property agencies pay their employees a basic salary plus commission because

- (1) It can increase the working incentive of the employees.
  - (2) It can transfer part of the business risk to the employees.
  - (3) The cost of calculating wages is lower.
- A. (1) and (2) only
  - B. (1) and (3) only
  - C. (2) and (3) only
  - D. (1), (2) and (3)

24. 2012.MC.Q10

Refer to the table below.

	Factory A	Factory B
Number of workers employed	60	10
Total number of working hours	2 000	5 000
Total output (units)	12 000	15 000

Which of the following is a possible reason for the difference between the labour productivity of Factory A and Factory B?

- A. Factory B provides more training for its workers.
- B. More machines are used in Factory B.
- C. The working environment in Factory A is poorer.
- D. Factory A pays its workers at piece rate while Factory B pays at time rate.

25. 2013.MC.Q6

The television broadcast of European football matches is

- A. A public good if citizens can enjoy the broadcast of matches in public areas like restaurants and Karaoke lounges.
- B. A private good if a local television broadcasting company has purchased the exclusive right to broadcast in Hong Kong.
- C. A free good because there is no cost in serving an additional viewer.
- D. A producer good if the broadcast is used to teach the children in a football training school.

26. 2013.MC.Q7

Teachers in secondary schools are usually paid by time rate because

- A. This can improve their working incentive.
- B. They prefer a stable income.
- C. Most teachers are hardworking.
- D. It is costly to measure their outputs.

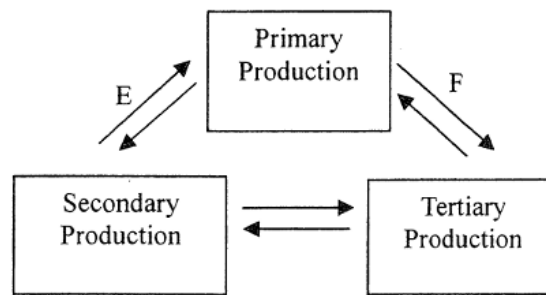
27. 2014.MC.Q9

Which of the following will increase the labour supply of an economy?

- A. More firms allow male employees to take paternity leave.
- B. More companies offer free transport to employees working overtime.
- C. Universities provide more full-time associate degree programmes for secondary school graduates.
- D. The government adopts maximum working hours for the civil servants.

28. 2014.MC.Q10

The following graph shows the relationship of the three stages of production. What do E and F stand for respectively?



- A. consumer goods; raw materials
- B. producer goods; services
- C. raw materials; services
- D. producer goods; raw materials

29. 2014.MC.Q11

Which of the following would most likely increase the occupational mobility of labour in an economy?

- A. The labour unions have stronger bargaining power for the welfare of their members.
- B. The labour department provides tuition fee rebates for participants of retaining programmes.
- C. The transport network is improved by the extension of highways.
- D. The government stops granting funding for an online data system about job vacancies.

30. 2015.MC.Q4

The \_\_\_\_\_ mobility of labour will decrease if \_\_\_\_\_.

- A. geographical ... the government introduces “city-bike rental scheme” in all train stations.
- B. geographical ... several big companies set up child care centres in their offices.
- C. occupational ... the travelling subsidy scheme provided by government is reduced due to a budget deficit
- D. occupational ... Licences are required by the government for more professions

31. 2015.MC.Q6

Refer to the following table:

	Factory A	Factory B
Number of full-time workers	25	0
Number of part-time workers	0	50
Average working hours of full-time workers	8	0
Average working hours of part-time workers	0	6
Total output (units)	12 000	15 000

- A. Factory A uses time rate while Factory B uses piece rate to pay its workers.
- B. Factory A provides more training for its workers.
- C. The part-time workers employed by Factory B are more skilled.
- D. Factory B uses more capital goods.

Study the following information and answer Questions 2016.MC.Q6 and 2016.MC.Q7:

A school is a production unit which provides educational services. The following are people and objects that are usually found at a school:

- (1) the school building
- (2) teachers
- (3) students
- (4) private cars owned by teachers
- (5) sanitisers (洗手液) in the toilets

32. 2016.MC.Q6

Which of the above items are capital of the school?

- A. (1) and (4) only
- B. (1) and (5) only
- C. (2) and (3) only
- D. (1), (4) and (5) only

33. 2016.MC.Q7

In the long run, which of the above items are variable factors of production of the school?

- A. (1) and (5) only
- B. (1), (2) and (5) only
- C. (2), (3) and (4) only
- D. (1), (2), (3), (4) and (5)

34. 2016.MC.Q8

The labour supply of a country will increase if

- A. more training is provided for the existing labour force.
- B. the legal minimum working age is lowered from 16 to 15.
- C. foreign direct investment increases.
- D. the government increases the salaries tax rate.

35. 2016.MC.Q9

Which of the following is the most mobile in terms of occupational mobility?

- A. a professional basketball player
- B. a licensed plumber (水喉匠)
- C. a graduate trainee in a law firm
- D. a clerk in an accounting firm



36. 2016.MC.Q10

Which of the following is most likely to be paid on a piece-rate basis?

- A. a newspaper columnist
- B. a primary school teacher
- C. a fireman
- D. a bus driver

## F40304MC - Answer

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