5.1 Introduction to Factors of Production

1. Factors of production are _____ used to produce goods and services.

5.2 Land

2. Land refers to _____.

The return on it is called _____.

3. The wind used to produce wind energy *(belongs to / does not belong to)* land.

5.3 Capital

4. Capital is _____.

The return on it is called _____.

5. Which of the following is/are the difference(s) between capital and land? Tick (✓) the appropriate box(es).

☐ The quantity of land cannot be controlled while the quantity of capital can.

☐ Using land incurs no cost while using capital incurs costs.

☐ Capital has gone through man-made processes while land has not.

6. When the amount of capital formation is greater than that of capital consumption, the amount of capital stock *(increases / decreases)*.

7. An increase in interest rate is *(favourable / unfavourable)* to capital accumulation.

8. Identify which of the following is/are capital. Tick (✓) the appropriate box(es)

☐ trees planted in a garden	☐ penguins living in the South Pole
☐ sunshine	☐ filtered tap water
☐ sand in the Sahara Desert	☐ fertilised soil

5.4 Labour

9. Labour is _____.

The return on it is called _____.

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10. The table below shows the production information of firm X and firm Y.

	Firm X	Firm Y
Number of workers	100	90
Number of working hours per worker	7	8
Total output (units)	1,400	2,160

(a) The labour supply of firm X = _____

(b) The average labour productivity of firm X = _____

(c) The labour supply of firm Y = _____

(d) The average labour productivity of firm Y = _____

(e) Which of the following is/are the possible reason(s) for the difference in average labour productivity between firm X and firm Y? Tick (✓) the appropriate box(es).

☐ Workers in firm X are more educated.

☐ The working conditions in firm Y are better.

☐ Less advanced producer goods are used in firm X.

11. Which of the following will cause the labour supply of an economy to decrease? Tick (✓) the appropriate box(es).

☐ The number of days of statutory paternity leave for male employees increases.

☐ The legal minimum working age is lowered.

☐ The government reduces the transport subsidy for working people.

12. Occupational mobility refers to _____

_____.

13. Geographical mobility refers to _____

_____.

14. If most public transport fares rise, the *(occupational / geographical)* mobility of labour will *(increase / decrease)*.

15. If more retraining programmes are provided by the government, the *(occupational / geographical)* mobility of labour will *(increase / decrease)*.

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16. Study the following descriptions about two jobs.

Job A	**Job B**
Broadband service promoter	**Broadband service promoter**
Working hours: 18:00-22:00	Working hours: 18:00-22:00
Salary: $100 per day plus $50 per contract signed	Salary: $200 per day

(a) Wage payment method for job A is _____.
Wage payment method for job B is _____.
(b) Determine if each of the following statements about the above jobs is true or false.
(i) For job A, the promoters have a greater incentive to work hard. *(True / False)*
(ii) For job B, the cost of supervising the promoters' performance is lower. *(True / False)*
(iii) For job B, it is easier for the employer to maintain a static team. *(True / False)*

5.5 Entrepreneurship

17. Entrepreneurship refers to _____ _____. The return on it is called _____.

18. The shareholder of a listed company who does not involve in the company's decision-making *(belongs to /does not belong to)* entrepreneurship.

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