

FUKIEN SECONDARY SCHOOL  
S3 First Term Uniform Test (2020-2021)  
Integrated Business  
(45 minutes)

Date: 23<sup>rd</sup> October 2020

Name: \_\_\_\_\_

Time: 8:30 a.m.-9:15 a.m.

Class: \_\_\_\_\_

No.: \_\_\_\_\_

**Instructions to Students**

1. This paper must be answered in English.
2. When told to open this book, you should check that all the questions are there. Look for the words '**END OF PAPER**' after the last question.
3. This paper consists of two sections, A and B.
4. Section A is Multiple-choice Questions. There are **13** questions in this section. Attempt **ALL** questions. You should mark all your answers on this question-answer book. All questions carry equal marks. You should mark only **ONE** answer for each question. If you mark more than one answer, you will receive **NO MARKS** for that question. No marks will be deducted for wrong answers.
5. Section B is Structured Questions. There are **4** questions in this section. Attempt **ALL** questions. All answers in this section should be put in the spaces provided in this question-answer book.

Question No.	Marker's Use Only
	Marks
1	/ 3
2	/ 6
3	/ 12
4	/ 11
Total	/ 32

Section	Total Marks
A	/ 13
B	/ 32
Total	/ 45



**Section A Multiple-choice Questions (13 marks)**

There are **13** questions in this section. Choose the **BEST** answer for each question.

1. Which of the following statements about scarcity is correct?
  - A. A good is an economic good if the supply is limited.
  - B. Economic goods face the problem of scarcity while free goods do not.
  - C. Poor people do not need to face the problem of scarcity.
  - D. Economic goods appear only in society but not in a one-man economy.
  
2. Economics is a \_\_\_\_\_ science as it examines \_\_\_\_\_.
  - A. natural ... the methods of gaining as much profit as possible
  - B. natural ... how people make decisions to satisfy as much of their wants as possible
  - C. social ... how people make decisions to satisfy as much of their wants as possible
  - D. social ... the methods of gaining as much profit as possible
  
3. Which of the following statements about economic goods is correct?
  - A. People prefer economic goods only.
  - B. People do not want economic goods.
  - C. Air may be economic good in a certain situation.
  - D. People want more economic goods and free goods.
  
4. Yente is considering to retire or continue working in the present job. In which of the following situations may Yente's opportunity cost of retiring decrease?
  - (1) Her boss promotes her to a more senior post.
  - (2) Her boss decreases her monthly salary.
  - (3) She is informed that she is going to have a grandson soon.
  - A. (1) only
  - B. (2) only
  - C. (1) and (2) only
  - D. (1), (2) and (3)
  
5. Which of the following events do **NOT** involve an opportunity cost?
  - (1) Ivan can use the coupon to exchange for a pencil box only.
  - (2) Serene goes out for lunch.
  - (3) Jacky is allowed to spend \$500 on Economics tutorial lessons conducted by Mr Chen only.
  - A. (1) and (2) only
  - B. (1) and (3) only
  - C. (2) and (3) only
  - D. (1), (2) and (3)

6. The following table shows the demand and supply schedules of Good X.

Unit Price (\$)	Quantity demanded (Units)	Quantity supplied (Units)
6	60	40
8	60	45
10	60	50
12	60	55
14	60	60

Which of the following statements is correct?

- A. The demand curve obeys the law of demand.
- B. The equilibrium is a state that demand is equal to supply.
- C. The equilibrium is unknown in the above case.
- D. Supply curve is upward-sloping.

**Answer Questions 7 and 8 by referring to the following information.**

7. The following table shows the demand and supply schedules of Good X.

Unit Price (\$)	12	11	10	9	8	7
Quantity demanded (Units)	40	60	80	100	120	140
Quantity supplied (Units)	280	240	200	160	120	80

What is the equilibrium price in the market?

- A. \$7
  - B. \$8
  - C. \$9
  - D. \$10
8. From Question 7, the demand schedule of Good X changes to the following new schedule.

Unit Price (\$)	12	11	10	9	8	7
Quantity demanded (Units)	100	120	140	160	180	200

The equilibrium quantity and total expenditure of consumers are \_\_\_\_\_ and \_\_\_\_\_ respectively.

- A. 120 ... \$1 440
  - B. 120 ... \$1 280
  - C. 160 ... \$1 280
  - D. 160 ... \$1 440
9. Which of the following statements does **NOT** obey the law of demand?
- A. When there is a terrorist attack in a country, fewer people will travel to that country.
  - B. When the government increases the amount of tax allowance for having children, the birth rate will increase.
  - C. After announcing a special discount for popular Switch game Ringfit, citizens queue up in front of the shops.
  - D. When the government increases the penalty of littering, more people will litter.

10. Queenie: The price of this watch is too expensive. I will buy it after my salary increases.  
Which of the following statements about Queenie is correct?

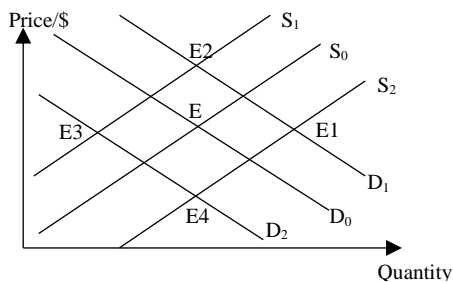
A. Her quantity demanded for the watch is zero.  
B. She has no want for the watch.  
C. She has no demand for the watch.  
D. None of the above

11. When drawing the supply curve for good X, which of the following items are held constant?

(1) The number of sellers  
(2) The number of goods for sale  
(3) Price of good X

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

12. The diagram below shows the supply and demand curves of air-purifiers (空氣淨化機). The original equilibrium point is E.



Suppose more producers join into the production market of air-purifiers. At the same time, the air pollution has been poorer over the last decade. The new equilibrium point will be

A. E1.  
B. E2.  
C. E3.  
D. E4.

13. Suppose the price of oysters (生蠔) increases and their quantity sold decreases.  
Which of the following are the possible reasons?

(1) Many people suffered from food poisoning after eating oysters.  
(2) Water pollution leads to the death of many oysters.  
(3) An increase in transportation fares.

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

**Section B Structured Questions (32 marks)**

1. Last year, students could get an ice cream cone from Mobile Softee (富豪雪糕) in school for free. Explain whether the free-of-charge ice cream cone is a free good. (3 marks)

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2. The following shows the options for Yanice to spend an evening in preference order:

1<sup>st</sup> choice: Going to watch a movie

2<sup>nd</sup> choice: Going to watch a football match

Explain how the opportunity cost of choosing to watch a movie may be affected if

(a) the movie is not as entertaining as expected. (3 marks)

(b) the football match is more exciting than expected. (3 marks)

(a)

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(b)

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3. (a) State the law of demand. (3 marks)

Recently, the maximum Loan-To-Value ratio in mortgages (最高按揭貸款比率) has been increased so that more citizens would purchase private housing. With the aid of the diagram below,

- (b) explain how the demand for private housing would be affected; (2 marks)
- (c) explain how the equilibrium price of private housing would be affected; (1 mark)
- (d) explain how the equilibrium quantity of private housing would be affected; (1 mark)
- (e) explain how the total revenue of private housing would be affected; (1 mark)
- (f) indicate the change in the total revenue of private housing in the diagram. (1 mark)
- (3 marks)



(a)

(b)

(c)

(d)

(e)

4. (a) State the law of supply. (3 marks)

Suppose the fuel cost has increased significantly. With the aid of the diagram below,

- (b) explain how the supply of bus service would be affected; (2 marks)
- (c) explain how the equilibrium price of bus service would be affected; (1 mark)
- (d) explain how the equilibrium quantity of bus service would be affected. (1 mark)
- (e) indicate the new total revenue of bus service in the diagram. (1 mark)

(3 marks)



(a)

(b)

(c)

(d)

- END OF PAPER -