Worksheet answers

2 The factors of production

Activity 1

|  |  |
| --- | --- |
| Factor of production | Examples |
| Land | Farm, beach, forest |
| Labour | Accountant, teacher, farmer |
| Capital | Computer, factory, tools |
| Enterprise | Risk-taking, motivation, perseverance |

Activity 2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Scenario | Land | Labour | Capital | Enterprise |
| New technology |  | ü | ü |  |
| Increased minimum wage |  | ü |  |  |
| Lower income tax |  | ü |  |  |
| Increased immigration |  | ü |  |  |
| War | ü | ü | ü | ü |
| Natural disaster, for example earthquake | ü | ü | ü | ü |
| Improvements in education |  | ü |  |  |
| Reduced tax on business profits |  |  |  | ü |
| Relaxed building laws | ü | ü |  |  |