4.1 Types of Goods

1. Producer goods (Capital goods) are goods _____ _____ while consumer goods are goods _____.

2. Private goods are goods which are _____ while public goods are goods which are _____, and their consumption is _____ in nature.

3. A good is *(non-rival / non-excludable)* in consumption if it is too costly to exclude others from consuming the good.

4. If a good can be consumed by many individuals concurrently, it is *(non-rival / non-excludable)* in consumption.

5. Once a public good is produced, the marginal cost of serving it to an extra consumer is *(negative / zero / positive)*.

6. Classify the following as private good or public good. Tick (✓) the appropriate box.

Item	Private good	Public good
(a) a piece of cake		
(b) a public football stadium		
(c) the broadcasting of a basketball match on a free TV channel		

7. The locker provided in a public swimming pool is a *(producer good / consumer good)* and a *(private good / public good)*.

4.2 Production

8. Production is the process of turning _____ into _____.

9. Production can be classified into three types:

- Primary production refers to those activities that _____ _____.
- Secondary production refers to those activities that _____ _____.
- Tertiary production refers to those activities that _____ _____.

10. Classify the following firms into primary, secondary or tertiary production. Tick the appropriate box.

Firm	Primary production	Secondary production	Tertiary production
(a) A supermarket			
(b) A farm			
(c) A food processing factory			

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11. The following diagram shows the inter-relationships of the three types of production. Fill in the blanks.

4.3 Division of Labour

12. Division of labour (Specialisation) is a practice in which _____
_____.

13. There are three types of division of labour:

- _____
- _____
- _____

14. Give **THREE** reasons to explain why division of labour can increase labour productivity.

_____

_____

15. List **TWO** advantages of division of labour.

_____

_____

16. List **TWO** disadvantages of division of labour.

_____

_____

17. Music creation is *(suitable / unsuitable)* to practise division of labour.

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