



Worksheet 1: Cause and effect

Define each economic term in the spaces provided.

Causes	Economic event	Consequences
<i>Technological advancement</i>	A rightward shift of the PPC	<i>Increased productive potential for the economy</i>
	A rightward shift of the S curve for lawyers	
	Increase in the price of potatoes	
	An increase in the PES of an agricultural product	
	Underconsumption of merit goods	
	Increase in household spending	
	Increase in the supply of engineers	
	Increase in the bargaining power of trade unions	
	A firm experiences economies of scale	
	Increase in labour productivity	
	Decrease in the firm's profits	
	Decrease in government's budget surplus	



Causes	Economic event	Consequences
	Decrease in money supply	
	Increased provision of training courses for computer literacy	
	Economic growth	
	Increase in unemployment	
	Increase in inflation	
	Deflation	
	An increase in a country's HDI	
	Decrease in population growth	
	Increased protectionism	
	Decrease in a country's exchange rate	
	Increase in a country's current account deficit	