



Worksheet 5: Making justified judgements

For each of the examples of (changes in) economic events/variables, suggest what the final outcome may depend on. The first example has been done for you.

	Evaluation points
An outward shift of the PPC caused by discovery of a new oil field may not lead to more output produced ...	<i>... if the economy doesn't have the resources to exploit the newly discovered oil deposit.</i>
Equilibrium price of laptops may still decrease despite an increase in incomes ...	
It is better for a product to be price inelastic ...	



	Evaluation points
<p>A maximum price is likely to be successful ...</p>	
<p>A national minimum wage may not be of overall benefit to everyone ...</p>	
<p>A monopoly is likely to be of overall benefit to consumers ...</p>	



	Evaluation points
The benefits of economic growth outweigh the costs ...	
Higher employment is desirable ...	
Inflation is more harmful ...	



Evaluation points	
A current account deficit is more concerning ...	
Population growth is desirable ...	