

Q U I Z ♦ Chapter 1, Section 1

S CARCITY AND THE SCIENCE OF ECONOMICS

SCORE

Matching: Match each item in Column A with the items in Column B. Write the correct letters in the blanks. (10 points each)

A

- _____ 1. scarcity
- _____ 2. need
- _____ 3. land
- _____ 4. capital
- _____ 5. Gross Domestic Product

B

- a. factor of production that includes natural resources not created by humans
- b. a basic requirement for survival
- c. dollar value of all final goods, services, and structures produced within a country's borders in a 12-month period
- d. condition that results from society not having enough resources to produce all the things people would like to have
- e. factor of production that involves risk takers in search of profits
- f. factor of production that includes tools, equipment, machinery, and factories used in the production of goods and services

Multiple Choice: In the blank at the left write the letter of the choice that best completes the statement or answers the question. (10 points each)

- _____ 6. Which of the following is NOT a basic economic question?
 - a. WHAT to produce
 - b. WHEN to produce
 - c. FOR WHOM to produce
 - d. HOW to produce

- _____ 7. What is the fundamental problem of economics?
 - a. scarcity
 - b. capital
 - c. the factors of production
 - d. labor

- _____ 8. Which of the following lists the four factors of production?
 - a. land, labor, wants, entrepreneurs
 - b. land, labor, capital, scarcity
 - c. labor, needs, capital, entrepreneurs
 - d. land, labor, capital, entrepreneurs

- _____ 9. Which of the following is NOT a capital good?
 - a. a bulldozer at a construction site
 - b. a cash register at a clothing store
 - c. an oven at a bakery
 - d. a television set for sale at an appliance store

- _____ 10. The study of economics includes all of the following EXCEPT
 - a. description.
 - b. prediction.
 - c. production.
 - d. analysis.

Q U I Z ♦ Chapter 1, Section 2

BASIC ECONOMIC CONCEPTS

SCORE

Matching: Match each item in Column A with the items in Column B. Write the correct letters in the blanks. (10 points each)

A

- _____ 1. good
- _____ 2. service
- _____ 3. market
- _____ 4. productivity
- _____ 5. human capital

B

- a. work that is performed for someone
- b. location or other mechanism that allows buyers and sellers to exchange a certain economic product
- c. an item that is economically useful or satisfies an economic want
- d. basic requirements for survival
- e. the sum of the skills, abilities, health, and motivation of people
- f. a measure of the amount of output produced by a given amount of inputs in a specific period of time

Multiple Choice: In the blank at the left write the letter of the choice that best completes the statement or answers the question. (10 points each)

- _____ 6. For something to have value, it must
 - a. cost a lot of money.
 - b. have utility.
 - c. be on sale.
 - d. never go out of style.

- _____ 7. Which of the following is an example of a service?
 - a. hair spray
 - b. a haircut
 - c. scissors
 - d. a blow dryer

- _____ 8. Which of the following is an example of a good?
 - a. a car
 - b. a tune-up
 - c. a car wash
 - d. an oil change

- _____ 9. Specialization refers to
 - a. the process of creating goods and services.
 - b. the use of the four factors of production.
 - c. arranging work so that individual workers do fewer tasks than before.
 - d. performing one task relatively more efficiently than another.

- _____ 10. What is economic interdependence?
 - a. people's reliance on each other to provide goods and services
 - b. the ability to produce all goods and services
 - c. the relationship between the four factors of production
 - d. the result of a division in labor