

Directions: Answer the following question(s).

- 1 Which of the following is an example of a natural resource?
- A. factories
 - B. doctors
 - C. water
 - D. money
- 2 Which of the following is an example of capital resources?
- A. oil
 - B. factories
 - C. doctors
 - D. water
- 3 Which of the following is an example of human resources?
- A. money
 - B. factories
 - C. water
 - D. doctors
- 4 Within a market economy, consumers do which of the following?
- A. set their own tax rates
 - B. shop around for the best value
 - C. shop exclusively at specialty markets
 - D. spend their money only in the United States
- 5 What are the three characteristics of a market economy?
- A. competition, business, and buyers
 - B. specialization, sellers, and supply
 - C. consumer sovereignty, competition, and private property rights
 - D. incentives, producers, and profit

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- 6 When a business makes more money than it takes to run the business, what is the extra money called?
- A. producers
 - B. tax
 - C. profit
 - D. incentives
- 7 What is it called when more than one business sells the same goods or services?
- A. competition
 - B. demand
 - C. resources
 - D. income
- 8 Which of the following is **not** an example of incentives?
- A. discount
 - B. sale
 - C. coupons
 - D. income
- 9 Mary returns her library book three days late. She must pay \$.30 in late fees. In the future what will Mary most likely do?
- A. Mary will decide to keep the book.
 - B. Mary will lose the book.
 - C. Mary will return the book on time.
 - D. Mary will go to a book store.
- 10 Henry Ford invented the assembly line concept because he wanted to do which of these?
- A. decrease the time needed to build a car
 - B. hire more workers to build cars
 - C. increase the demand for cars
 - D. increase the price of cars

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- 11 When someone produces only a certain kind of good or service, what is it called?
- A. substitute
 - B. supply
 - C. specialization
 - D. incentive
- 12 How would you describe a consumer?
- A. someone who makes goods
 - B. someone who provides services
 - C. someone who sells services
 - D. someone who buys goods
- 13 How does the division of labor affect productivity?
- A. remains the same
 - B. decreases
 - C. increases
- 14 There are 300 people all waiting to buy a new 3-D video game that only one store sells. What do you think will likely happen?
- A. The store will decide to not sell the video game.
 - B. The store will raise the price of the video game.
 - C. The people will go to another store.
 - D. The store will lower the price of the video game.
- 15 Hot Cheetos are popular at lunchtime. The cafeteria always runs out before everyone in line can buy them. This is an example of which of the following?
- A. substitute goods
 - B. supply and demand
 - C. price competition
 - D. opportunity cost

Directions: Answer the following question(s).

- 16 Since there are a lot of houses for sale in Michigan, what will buyers find?
- A. supply is high so prices will be low
 - B. supply is high so prices will be high
 - C. demand is high so prices will be high
 - D. demand is low so prices will be high
- 17 Which answer best describes why the Mackinac Bridge is owned by the State of Michigan and not a private citizen?
- A. Citizens make money from the use of the bridge.
 - B. The Mackinac Bridge is a private road.
 - C. It can be used by all citizens and maintenance can be funded by taxpayer dollars.
 - D. The State of Michigan makes large amounts of money from use of public roads.
- 18 Repairing roads and building schools are examples of what?
- A. private property rights
 - B. public lighthouse repair
 - C. private goods and services
 - D. public goods and services
- 19 How does the closing of one automobile company impact the national economy?
- A. Competition for customers becomes greater.
 - B. Demand for jobs is high and employment rates rise.
 - C. Employers need to pay higher salaries to gain quality work force.
 - D. Many people are out of jobs and unemployment rates rise.
- 20 If a resource is scarce in the United States what else will be true?
- A. increased imports of the resource
 - B. increased exports of the resource
 - C. a lower price for the resource
 - D. a larger supply of the resource

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- 21 What are taxes used for?
- A. to fix bridges and roads
 - B. to buy the president a gift
 - C. to build shopping malls
 - D. to sell computers to stores
- 22 How is a struggling automobile company in the United States affected by a German based car company with better sales?
- A. There will be an increased competition for automobile sales.
 - B. There will be an increase in German immigration to the U.S.
 - C. The employment rate in the automobile industry in the U.S. will rise.
 - D. The company in the U.S. will need to charge higher prices for their automobiles.
- 23 Japan has developed a battery-powered car that can go 1,000 miles before it needs to be recharged. How does this affect U.S. jobs?
- A. People in Japan will hire more employees at their car factory.
 - B. People who work in U.S. car factories will try to produce a battery-powered car to create competition with Japan.
 - C. People who work in the U.S. car factories will get a bonus.
 - D. People in Japan will lose their jobs.
- 24 Which of the following is **not** a service?
- A. pet groomer
 - B. hair stylist
 - C. car mechanic
 - D. computer sales
- 25 If the price of an item is extremely high, how is the consumer most likely to react if he must have the item today?
- A. The buyer may realize that demand is high and wait until next week.
 - B. The consumer buys several of the items immediately.
 - C. The consumer decides to wait until there is a sale.
 - D. The consumer purchases a similar item with a lower price.

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- 26 Bob decided to sell chocolate chip cookies for the bake sale. Chocolate chip cookies are Mary's favorite so she bought five. This is an example of:
- A. negative incentive
 - B. competition
 - C. scarcity
 - D. voluntary exchange

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- 27 Explain one conclusion that can be drawn from the chart below. Give 2 possible reasons why there would be a change from 1999 to 2009.

Analyzing Data

Manufacturing Jobs: Production		Service Providing Jobs	
Year	Jan	Year	Jan
1999	12,607,000	1999	103,074,000
2000	12,496,000	2000	106,145,000
2001	12,236,000	2001	107,926,000
2002	11,004,000	2002	107,619,000
2003	10,483,000	2003	108,119,000
2004	10,029,000	2004	108,703,000
2005	10,050,000	2005	110,531,000
2006	10,159,000	2006	112,665,000
2007	10,047,000	2007	114,715,000
2008	9,930,000	2008	116,099,000
2009	8,946,000	2009	114,206,000

Write your answer in the space below.

Directions: Answer the following question(s).

- 28 What is a privately owned good or service? Give two examples of a private good or service.

Write your answer in the space below.