

# Social Studies- Economics

Unit 7/E



# 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. How would you describe a consumer?

- a. A person who makes goods or services
- b. **A person who buys goods or services**
- c. A person who sells goods or services
- d. A person who makes decisions about goods and services

## 6. 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

7. When a business makes more money than it takes to run the business, what is that extra money called?

- a. Producers
- b. Tax
- c. **Profit**
- d. Incentives



# 8. What is it called when more than one business sells the same goods or services?

- a. **Competition**
- b. Demand
- c. Resources
- d. Income

## 9. Which of the following is not an example of incentives?

- a. Discount
- b. Sale
- c. Coupons
- d. **Income**

10. 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. Specialization
- d. **Voluntary exchange**

11. Jalal returns his library books three days late. He must pay \$0.30 in late fees. In the future what will Jalal most likely do?

- a. Jalal will decide to keep the book
- b. Jalal will lose the book
- c. Jalal will return the book on time**
- d. Jalal will go to a bookstore

# 12. If a store marks down prices and holds a clearance sale, how will the store's sales figures change?

- a. More people will come to the store to look
- b. Sales will increase because prices are lower**
- c. The store will make a larger profit
- d. The store will need to hire more workers

# 13. How does a high priced item impact a buyer's decision to purchase the item?

- a. **The buyer may look for a different brand at a lower price**
- b. The buyer may decide to buy several of the items at one time
- c. The buyer may realize that demand is high and wait until next week
- d. The buyer may realize that supply is high and buy immediately

14. If the price of an item is extremely high, how is the consumer most likely to react if he needs the item today?

- a. The consumer tries to increase supply to lower the price
- 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**

15. 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



16. When someone produces only a certain kind of good or service, what is it called?

- a. Substitute
- b. Supply
- c. **Specialization**
- d. Incentive

# 17. How does the division of labor affect productivity?

- a. Productivity causes prices to rise
- b. Productivity remains the same
- c. Productivity will decrease
- d. **Productivity will increase**

18. There are 200 people all waiting to buy a new 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

19. Hot Cheetos are popular at lunchtime. The high school 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

20. Since there are a lot of houses for sale in Dearborn, 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

## 21. What is income (wages)?

- a. **Money people earn by working**
- b. Money people pay for taxes
- c. Money people pay for using credit cards
- d. Money people give to help others

22. Which of the following is not a service?

- a. Pet groomer
- b. Lawn mowing
- c. Car mechanic
- d. **Car salesperson**

## 23. Which is an example of a good?

- a. **Camera**
- b. Photographer
- c. Hair stylist
- d. Chef



## 24. Complete the Circular Flow chart. What factor is missing ?

GRAPHIC\*\*\*

- a. Export resources
- b. Market for services
- c. Receive money
- d. Market for resources

## 25. 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

## 26. What are taxes?

- a. Money people earn by working
- b. Money people pay for parking tickets
- c. **Money people pay to a government for public goods and services**
- d. Money people pay for groceries and gas

## 27. 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**

## 28. 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**

29. Examine this label from a product people buy and use in the United States  
The label shows that people in the U.S. :

GRAPHIC \*\*\*

- a. **Import goods from other countries**
- b. Export goods to other countries
- c. Study about other countries
- d. Often travel to other countries

30. Egbonia 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 Egbonia will hire more employees at the car factory.
- b. People who work in the U.S. car factories will lose their jobs**
- c. People who work in the U.S. car factories will get a bonus
- d. People in Egbonia will lose their jobs

# 31. How is a struggling automobile company in the United States affected by a very successful German based car company?

- a. **There will be an increased competition for automobile sales.**
- b. There will be an increase in German immigration to the United States.
- c. The employment rate in the automobile industry in the United States will rise.
- d. The company in the United States will need to charge higher prices for their automobiles



## 32. 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 resources
- d. A larger supply of the resource

## 33. 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

## 34. What is a privately owned good or service? Give two examples of a private good or service

Privately owned goods or services are goods and services that are produced privately and sold to consumers. Two examples of a privately owned goods are groceries and cell phones (*cell phone accessories, clothes, earrings, jewelry, cars, books, sporting equipment, toys, gift cards*). Privately owned services could include physicians and hair stylists (*doctor, vet, butler, mechanic, (private) lawyer, nurses, servants, nail technician*).

35. How many cars were produced in the year 2007?  
Explain the change in number of cars produced between the years of 1999-2009. Give possible reasons why this change may have occurred.