

Section Quiz 24-1

Score

What Is Money?

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

Column A

- _____ 1. metallic forms of money such as pennies, nickels, and dimes
- _____ 2. protects consumers' deposits
- _____ 3. fees charged for loans
- _____ 4. coins and paper money
- _____ 5. anything that people are willing to accept in exchange for goods

Column B

- A.** currency
- B.** federal deposit insurance
- C.** money
- D.** coins
- E.** interest

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

- _____ 6. Which type of financial institutions work on a not-for-profit basis?
 - A.** commercial banks
 - B.** credit unions
 - C.** the Federal Reserve System
 - D.** savings and loan associations
- _____ 7. Which factor affecting the safety of our financial system requires banks to follow rules and accounting practices that minimize unnecessary risk?
 - A.** insurance
 - B.** accounting
 - C.** regulation
 - D.** FDIC
- _____ 8. Money serves as a _____, which means that it can be traded for goods and services.
 - A.** measure of value
 - B.** store of value
 - C.** financial safety net
 - D.** medium of exchange
- _____ 9. Which of the following is NOT a function of money?
 - A.** medium of exchange
 - B.** store of value
 - C.** measure of value
 - D.** store of exchange
- _____ 10. Which types of financial institutions are probably the most important part of our financial system because of their large area of influence?
 - A.** commercial banks
 - B.** savings and loan associations
 - C.** credit unions
 - D.** federal banks



Section Quiz 24-2

The Federal Reserve System

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

Column A

- _____ 1. the purchase or sale of U.S. government bonds and Treasury bills
- _____ 2. the interest rate the Fed charges on its loans
- _____ 3. groups that keep the Fed informed of developments in the economy
- _____ 4. the central bank of the United States
- _____ 5. controlling the supply of money and the cost of borrowing money according to the needs of the economy

Column B

- A.** monetary policy
- B.** open market operations
- C.** discount rate
- D.** advisory councils
- E.** the Federal Reserve System

DIRECTIONS: Multiple Choice In the blank 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 way the Fed acts as the government's bank?
 - A.** holds the government's money
 - B.** deals with banking regulations
 - C.** issues the nation's currency
 - D.** sells U.S. government bonds and Treasury bills
- _____ 7. Which of the following is a way in which the Fed stimulates the economy?
 - A.** sells Treasury bills
 - B.** raises the discount rate
 - C.** contracts the money supply
 - D.** buys U.S. government bonds
- _____ 8. Laws requiring that lenders spell out the details of a loan before a consumer borrows money fall under which function of the Fed?
 - A.** dealing with consumer credit
 - B.** conducting monetary policy
 - C.** acting as the government's bank
 - D.** dealing with banking regulation
- _____ 9. Who is the major policy-making group within the Fed?
 - A.** the advisory council
 - B.** Board of Governors
 - C.** Federal Open Market Committee
 - D.** senators
- _____ 10. Which banks are required to be members of the Federal Reserve System?
 - A.** national banks
 - B.** state-chartered banks
 - C.** credit unions
 - D.** privately owned banks

Section Quiz 24-3

Score

How Banks Operate

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

Column A

- _____ 1. products customers receive when they give a certain sum to the bank for a specific period of time
- _____ 2. bank service that allows customers to write checks or use check cards
- _____ 3. relaxing restrictions on activities of financial institutions
- _____ 4. bank service whereby banks pay interest to customers based on how much money they have deposited
- _____ 5. system in which banks can have either a state or federal charter

Column B

- A.** checking accounts
- B.** deregulation
- C.** certificates of deposit
- D.** dual banking
- E.** savings accounts

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

- _____ 6. Which act of Congress permitted bank holding companies greater freedom to engage in a full range of financial services?
 - A.** Glass-Steagall Banking Act
 - B.** National Banking Act
 - C.** Federal Reserve Act
 - D.** Gramm-Leach-Bliley Act
- _____ 7. Banks are started by
 - A.** investors.
 - B.** corporations.
 - C.** states.
 - D.** the federal government.
- _____ 8. When was the Federal Reserve created?
 - A.** 1791
 - B.** 1863
 - C.** 1913
 - D.** 1933
- _____ 9. In what way was the Bank of the United States like state banks?
 - A.** It collected government fees.
 - B.** It was the same size as state banks.
 - C.** It made payments for the government.
 - D.** It was privately owned and operated.
- _____ 10. What is one of the main activities of banks?
 - A.** deposit money
 - B.** lend money
 - C.** save money
 - D.** invest money

Section Quiz 18-1

Score

The Fundamental Economic Problem

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

Column A

- _____ 1. simplified representations of the real world
- _____ 2. things we would like to have, such as entertainment and vacations
- _____ 3. the study of how we make decisions in a world where resources are limited
- _____ 4. all the activity in a nation that together affects the production, distribution, and use of goods and services
- _____ 5. things that are required for survival, such as food, clothing, and shelter

Column B

- A.** economy
- B.** needs
- C.** models
- D.** economics
- E.** wants

DIRECTIONS: Multiple Choice In the blank 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 one of the choices a society has to face regarding its resources?
 - A.** WHAT to produce
 - B.** WHEN to produce
 - C.** HOW to produce
 - D.** FOR WHOM to produce
- _____ 7. What occurs whenever we do not have enough resources to produce all of the things we would like to have?
 - A.** scarcity
 - B.** limited choices
 - C.** needs
 - D.** fundamental economic problems
- _____ 8. Which term refers to a mechanism that an economist uses to answer a question for which there is no obvious or easy answer?
 - A.** economic theory
 - B.** economic assumption
 - C.** economic revision
 - D.** economic model
- _____ 9. The question of how much pollution we should allow factories that manufacture products to generate falls under which of society's economic choices?
 - A.** HOW to produce
 - B.** WHAT to produce
 - C.** FOR WHOM to produce
 - D.** WHEN to produce
- _____ 10. Society's choice of WHAT to produce might involve deciding
 - A.** where to drill for oil.
 - B.** how resources should be distributed.
 - C.** how cheaply businesses produce goods.
 - D.** whether to improve roads or build schools.

Section Quiz 18-2



Making Economic Decisions

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

Column A

- _____ 1. the extra cost of producing one additional unit of output
- _____ 2. expenses that change with the number of products produced
- _____ 3. the change in total revenue that results from selling one more unit of output
- _____ 4. number of units sold multiplied by the average price per unit
- _____ 5. expenses that are the same no matter how many units of a good are produced

Column B

- A.** total revenue
- B.** variable costs
- C.** fixed costs
- D.** marginal cost
- E.** marginal revenue

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

- _____ 6. Which term refers to the exchange that happens when we choose to have more pollution-free air by driving less?
 - A.** opportunity cost
 - B.** economic decision
 - C.** cost-benefit analysis
 - D.** trade-off
- _____ 7. Our concern with the additional or extra benefit associated with an action is referred to as a concern with the
 - A.** marginal benefit.
 - B.** measures of cost.
 - C.** opportunity cost.
 - D.** cost benefit.
- _____ 8. Which term refers to what you cannot buy or do when choosing to do one thing rather than another?
 - A.** cost-benefit analysis
 - B.** marginal benefit
 - C.** opportunity cost
 - D.** measures of cost
- _____ 9. Because rational economic decision making tells us to choose an action when the benefits are greater than the costs, which economic model should you use to analyze a decision?
 - A.** marginal decisions
 - B.** cost-benefit analysis
 - C.** measure of cost
 - D.** trade-off
- _____ 10. The question of how much of a product, such as bicycle helmets, you should produce is known as
 - A.** opportunity cost.
 - B.** measure of cost.
 - C.** cost-benefit analysis.
 - D.** marginal decision.

Section Quiz 18-3

Score

Being an Economically Smart Citizen

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

Column A

- _____ 1. rewards offered to try to persuade people to take certain economic actions
- _____ 2. choosing the alternative that has the greatest value among comparable-quality products
- _____ 3. type of economy in which individuals, not the government, make most of the economic decisions
- _____ 4. a system in which businesses are allowed to compete for profit with a minimum of government interference
- _____ 5. a system in which private citizens own most, if not all, of the means of production

Column B

- A.** rational choice
- B.** market economy
- C.** capitalism
- D.** free enterprise
- E.** incentives

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

- _____ 6. Discouraging the consumption of goods by imposing a high sales tax on them is an example of what role of government in our economy?
 - A.** making markets competitive
 - B.** rewarding or punishing actions
 - C.** establishing prices
 - D.** providing services not provided by the private sector
- _____ 7. Individuals who use resources wisely and make wise decisions benefit
 - A.** our government.
 - B.** the economy.
 - C.** society.
 - D.** the private sector.
- _____ 8. Which of the following terms does NOT describe the United States economy?
 - A.** capitalism
 - B.** market economy
 - C.** free enterprise
 - D.** government-run
- _____ 9. Which of the following is NOT a role of government in our economy?
 - A.** establish prices to benefit a group
 - B.** maintain competitive markets
 - C.** offer business incentives
 - D.** provide services not provided by the private sector
- _____ 10. Credit card companies that offer low interest rates to try to convince consumers to choose their credit cards is an example of
 - A.** free enterprise.
 - B.** incentives.
 - C.** capitalism.
 - D.** rational choice.

Section Quiz 19-1

Score

Economic Resources

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

Column A

- _____ 1. individuals who start new businesses, introduce new products, and improve management techniques
- _____ 2. quality of life based on the possession of necessities and luxuries that make life easier
- _____ 3. the physical and mental talents that people contribute to the production of goods and services
- _____ 4. tangible products like books and automobiles
- _____ 5. total value, in dollars, of all the final goods and services produced in a country during a single year

Column B

- A.** labor
- B.** Gross Domestic Product
- C.** standard of living
- D.** entrepreneurs
- E.** goods

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

- _____ 6. The equipment and tools used to build your school are an example of which factor of production?
 - A.** capital
 - B.** natural resources
 - C.** consumer goods
 - D.** entrepreneurs
- _____ 7. Which of the following is NOT a factor of production?
 - A.** labor
 - B.** capital
 - C.** consumer goods
 - D.** natural resources
- _____ 8. The Gross Domestic Product does not accurately reflect a product's improvement in
 - A.** quantity.
 - B.** production.
 - C.** price.
 - D.** quality.
- _____ 9. Which type of sales are NOT counted as part of the Gross Domestic Product?
 - A.** services
 - B.** consumer
 - C.** final
 - D.** secondhand
- _____ 10. _____ goods aid the production of consumer goods.
 - A.** Natural
 - B.** Capital
 - C.** Secondhand
 - D.** Gross Domestic Product

Section Quiz 19-2

Score

Economic Activity and Productivity

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

Column A

- _____ 1. a measure of the amount of output produced by a given amount of inputs in a specific period of time
- _____ 2. relying on others and others relying on us to provide goods and services to consume
- _____ 3. type of markets where productive resources are bought and sold
- _____ 4. type of markets where producers offer goods and services for sale
- _____ 5. when people or groups concentrate on goods or services that they can produce better than anyone else

Column B

- A.** product market
- B.** productivity
- C.** factor market
- D.** specialization
- E.** economic interdependence

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

- _____ 6. Which market sector is the only one that the United States sells products to as well as buys products from?
 - A.** business
 - B.** consumer
 - C.** foreign
 - D.** government
- _____ 7. Productivity tends to increase when businesses invest in _____, the sum of the skills, abilities, and motivation of people.
 - A.** more efficient goods
 - B.** human capital
 - C.** specialists
 - D.** division of labor
- _____ 8. From where does the government sector receive most of its revenues?
 - A.** taxes on businesses and individuals
 - B.** sales of goods
 - C.** services it sells
 - D.** fees
- _____ 9. Breaking a job down into separate, smaller tasks, which are performed by different workers, is known as
 - A.** the division of labor.
 - B.** specialization.
 - C.** human capital.
 - D.** productivity.
- _____ 10. Which market sector purchases the largest share of all output?
 - A.** business
 - B.** government
 - C.** consumer
 - D.** foreign

Section Quiz 19-3

Score

Capitalism and Free Enterprise

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

Column A

Column B

- | | |
|---|---|
| <p>_____ 1. the act of buyers and sellers freely and willingly engaging in market transactions</p> <p>_____ 2. term that describes the consumer as ruler of the market</p> <p>_____ 3. the philosophy that government should not interfere in the marketplace</p> <p>_____ 4. the struggle that goes on between buyers and sellers to get the best products at the lowest prices</p> <p>_____ 5. the amount of money left over after all the costs of production have been paid</p> | <p>A. voluntary exchange</p> <p>B. competition</p> <p>C. profit</p> <p>D. consumer sovereignty</p> <p>E. laissez-faire</p> |
|---|---|

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

- _____ 6. The driving force that encourages individuals and organizations to improve their material well-being is known as
- | | |
|-----------------------------|------------------------------|
| A. economic freedom. | C. the profit motive. |
| B. free enterprise. | D. capitalism. |
- _____ 7. Our right to choose the job or occupation we would like to have falls under which feature of capitalism?
- | | |
|-----------------------------------|------------------------------|
| A. private property rights | C. markets |
| B. economic freedom | D. voluntary exchange |
- _____ 8. The opening of trade routes to the East, which started major changes in the economic organization of Europe, began in the
- | | |
|------------------|------------------|
| A. 1500s. | C. 1300s. |
| B. 1400s. | D. 1200s. |
- _____ 9. What feature of capitalism connects the different sectors of the economy?
- | | |
|----------------------------|-----------------------------|
| A. economic freedom | C. markets |
| B. profit motive | D. economic exchange |
- _____ 10. What feature of capitalism gives people the incentive to work, save, and invest, so that they can keep any gains that they might earn?
- | | |
|-----------------------------------|----------------------------|
| A. competition | C. economic freedom |
| B. private property rights | D. profit motive |

Section Quiz 19-4



The Economy and You

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

Column A

- _____ 1. the promise made by a manufacturer or seller to repair or replace a product within a certain time period if it is faulty
- _____ 2. the payment people receive when they lend money or allow someone else to use their money
- _____ 3. money a person has left after all the taxes on it have been paid
- _____ 4. a movement to educate buyers about the purchases they make
- _____ 5. money left over after paying for necessities

Column B

- A.** disposable income
- B.** discretionary income
- C.** warranty
- D.** interest
- E.** consumerism

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

- _____ 6. Not trying to return a used item because it has been advertised elsewhere for a lower price is an example of
 - A.** decision making.
 - B.** ethical behavior.
 - C.** the right to be informed.
 - D.** consumerism.
- _____ 7. Which of the following is NOT a consumer right?
 - A.** right to a fair price
 - B.** right to be heard
 - C.** right to redress
 - D.** right to choose
- _____ 8. Putting aside money to pay for major purchases, such as a car or a house, is an example of what role of a consumer?
 - A.** decision making
 - B.** ethical behavior
 - C.** saving for the future
 - D.** considering goals
- _____ 9. What group runs the better business bureau organizations?
 - A.** consumer groups
 - B.** Congress
 - C.** local councils
 - D.** business groups
- _____ 10. Which of the following is NOT a right bestowed on us by our free enterprise system?
 - A.** get the best value for our money
 - B.** reject products we do not like
 - C.** buy products we like
 - D.** choose our profession

Section Quiz 20-1

Score

What Is Demand?

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

Column A

- _____ 1. the total demand of all consumers for a product or service
- _____ 2. the principle that the additional pleasure or satisfaction from a product tends to go down as more units are consumed
- _____ 3. the desire, willingness, and ability to buy a good or service
- _____ 4. one person's demand for a product or service
- _____ 5. the pleasure, usefulness, or satisfaction a person receives from using a product

Column B

- A.** individual demand
- B.** market demand
- C.** utility
- D.** diminishing marginal utility
- E.** demand

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

- _____ 6. Which term refers to the principle that quantity demanded and price move in opposite directions?
 - A.** demand schedule
 - B.** law of demand
 - C.** illustrated demand
 - D.** demand curve
- _____ 7. A table that lists the various quantities of a product or service that someone is willing to buy over a range of possible prices is known as a
 - A.** market demand.
 - B.** illustrated demand.
 - C.** demand schedule.
 - D.** demand curve.
- _____ 8. The fact that the first piece of pizza you eat gives you more satisfaction than the second or third piece is an example of the
 - A.** marginal utility.
 - B.** law of demand.
 - C.** diminishing marginal utility.
 - D.** individual demand curve.
- _____ 9. A graph that shows how many units of a product or service an individual will buy at a particular price is referred to as a
 - A.** demand curve.
 - B.** marginal utility.
 - C.** demand schedule.
 - D.** market demand.
- _____ 10. Which of the following would NOT help you with measuring the demand for a new bicycle repair shop?
 - A.** poll consumers about prices
 - B.** study data showing consumer reactions to prices
 - C.** visit other shops to compare prices
 - D.** identify an area with many bicycle riders and few repair shops

Section Quiz 20-2

Score

Factors Affecting Demand

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

Column A

- _____ 1. the extent to which a change in price causes a change in the quantity demand for a product
- _____ 2. competing products that consumers can use in place of each other
- _____ 3. the way people think about the future
- _____ 4. type of demand that means price changes have little effect on the quantity demanded
- _____ 5. products that are used together

Column B

- A.** inelastic
- B.** substitutes
- C.** complements
- D.** expectations
- E.** demand elasticity

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

- _____ 6. An increase in demand for computer software because of a drop in computer prices is an example of what factor affecting demand?
 - A.** changes in consumers' tastes
 - B.** changes in complements
 - C.** changes in substitutes
 - D.** changes in consumers' income
- _____ 7. A new product that becomes the "must buy" of the year during the holiday season is an example of what factor affecting demand?
 - A.** changes in expectations
 - B.** changes in substitutes
 - C.** changes in consumers' tastes
 - D.** changes in the number of consumers
- _____ 8. Which of the factors of changes in demand is illustrated by a new apartment building being built in an area?
 - A.** changes in the number of consumers
 - B.** changes in complements
 - C.** changes in consumers' expectations
 - D.** changes in consumers' income
- _____ 9. Which of the following is NOT an example of an item that would have elastic demand?
 - A.** an expensive item
 - B.** an item that has few substitutes
 - C.** an item that can be purchased later
 - D.** an item that has attractive substitutes
- _____ 10. Buying butter when the prices of margarine rise is an example of which factor affecting demand?
 - A.** changes in consumers' tastes
 - B.** changes in complements
 - C.** changes in consumers' expectations
 - D.** changes in substitutes

Section Quiz 21-1

Score

What Is Supply?

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

Column A

- _____ 1. a numerical chart that illustrates the law of supply
- _____ 2. the money a business receives for its products or services over and above its costs
- _____ 3. the principle that quantity demanded varies according to price
- _____ 4. a graph that shows the amount of a product that would be supplied at all possible prices in the market
- _____ 5. the various quantities of a good or service that producers are willing to sell at all possible market prices

Column B

- A.** supply curve
- B.** supply schedule
- C.** profit
- D.** supply
- E.** law of demand

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

- _____ 6. A primary goal of business owners in our economy is to
 - A.** earn profits.
 - B.** create demand.
 - C.** increase supply.
 - D.** meet consumers' needs.
- _____ 7. What is the most significant influence on the quantity supplied of any product?
 - A.** profit
 - B.** demand
 - C.** supply
 - D.** price
- _____ 8. Unlike the demand curve, the supply curve
 - A.** slopes downward.
 - B.** dips and rises according to price.
 - C.** slopes upward.
 - D.** stays fairly level.
- _____ 9. What is the total of the supply schedules of all the businesses that provide the same good or service called?
 - A.** supply curve
 - B.** profit motive
 - C.** supply demand
 - D.** market supply
- _____ 10. The principle that suppliers will normally offer more for sale at higher prices and less at lower prices is known as
 - A.** the individual supply curve.
 - B.** the profit motive.
 - C.** the law of supply.
 - D.** market supply.

Section Quiz 21-2



Factors Affecting Supply

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

Column A

- _____ 1. a product for which quantity changes a great deal when prices go up or down
- _____ 2. the methods or processes used to make goods and services
- _____ 3. the degree to which resources are being used efficiently to produce goods and services
- _____ 4. a product for which quantity changes very little when prices go up or down
- _____ 5. a government payment to an individual, business, or other group for certain actions

Column B

- A.** technology
- B.** subsidy
- C.** elastic supply
- D.** inelastic supply
- E.** productivity

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

- _____ 6. The fact that stores stock up on swimsuits as summer nears is an example of which factor affecting supply?
 - A.** productivity
 - B.** expectations of producers
 - C.** changes in the cost of resources
 - D.** technology
- _____ 7. Workers who cut a company’s costs by being more efficient are an example of which factor affecting supply?
 - A.** technology
 - B.** changes in the cost of resources
 - C.** productivity
 - D.** changes in taxes and subsidies
- _____ 8. Which of the following is an example of a product whose supply is inelastic?
 - A.** candy
 - B.** kites
 - C.** chewing gum
 - D.** oil
- _____ 9. Automobile manufacturers who add air bags to their vehicles due to new regulations are reflecting an example of which factor affecting production?
 - A.** changes in taxes
 - B.** technology
 - C.** changes in government policies
 - D.** changes in the cost of resources
- _____ 10. Price scanners at grocery stores are an example of which factor affecting production?
 - A.** technology
 - B.** changes in taxes and subsidies
 - C.** productivity
 - D.** changes in government policies

Section Quiz 21-3

Score

Markets and Prices

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

Column A

- _____ 1. a government-set maximum price that can be charged for goods and services
- _____ 2. the amount by which the quantity supplied is higher than the quantity demanded
- _____ 3. a government minimum price that can be charged for goods and services
- _____ 4. any place or mechanism where buyers and sellers of a good or service can get together to exchange that good or service
- _____ 5. the amount by which the quantity demanded is higher than the quantity supplied

Column B

- A.** market
- B.** price floor
- C.** surplus
- D.** shortage
- E.** price ceiling

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

- _____ 6. The point where supply and demand achieve balance is known as the
 - A.** market economy.
 - B.** consumer shortage.
 - C.** equilibrium price.
 - D.** market surplus.
- _____ 7. Which of the following countries has a command economy?
 - A.** United States
 - B.** North Korea
 - C.** Mexico
 - D.** France
- _____ 8. In the U.S. economy, what functions as a signal to help businesses and consumers make decisions?
 - A.** price
 - B.** supply
 - C.** demand
 - D.** surplus
- _____ 9. Which of the following is NOT an advantage of prices in a competitive market economy?
 - A.** Prices are flexible.
 - B.** Prices are neutral.
 - C.** Prices are stable.
 - D.** Prices provide for freedom of choice.
- _____ 10. What signals that a price is too high?
 - A.** shortage
 - B.** high demand
 - C.** market supply
 - D.** surplus

Section Quiz 28-1

Score

Global Developments

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

Column A

- _____ 1. poorer countries that are trying to develop industrial economies
- _____ 2. policy of placing tariffs on imports
- _____ 3. limiting the use of polluting resources
- _____ 4. the fact that people and nations all over the world now depend on one another for many goods and services
- _____ 5. countries that have built a way of life based on highly developed business and industry

Column B

- A.** developing countries
- B.** global interdependence
- C.** conservation
- D.** protectionism
- E.** developed countries

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

- _____ 6. In which hemisphere are most developing nations located?
 - A.** Northern
 - B.** Southern
 - C.** Western
 - D.** Eastern
- _____ 7. The fact that the United States must import about 50 percent of the oil it uses is an example of our growing
 - A.** global interdependence.
 - B.** global trade.
 - C.** protectionism.
 - D.** global independence.
- _____ 8. Which of the following is a reason some people oppose conservation?
 - A.** It protects wildlife habitats.
 - B.** It eliminates free trade.
 - C.** It results in acid rain.
 - D.** It slows economic growth.
- _____ 9. The most important part of economic interdependence is
 - A.** exports.
 - B.** tariffs.
 - C.** trade.
 - D.** protectionism.
- _____ 10. Which of the following is an example of a developed country?
 - A.** Saudi Arabia
 - B.** Germany
 - C.** Colombia
 - D.** Albania