

Name: _____

Date: _____

1. The things needed to produce goods and services are called the factors of production. The factors of production include capital (machines), labor, and

- A. government decisions.
 - B. workers' skills.
 - C. land resources.
 - D. buyers' needs.
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2. In economics there are exports and imports. Which of the following is an example of a United States export?

- A. a television made in China and sold in the United States
 - B. a car made in Mexico and sold in Mexico
 - C. a radio made in the United States and sold in the United States
 - D. a computer made in the United States and sold in Indonesia
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3. What is the definition of "economics"?

- A. the study of human behavior and attitudes
 - B. the study of past events and the impact they have had on people
 - C. the study of political and social interactions
 - D. the study of the production and distribution of goods and services
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4. The factors of production is a term used for all the elements that go together to produce goods and services. Which factor of production is the term used to describe natural resources?

- A. land
 - B. labor
 - C. capital
 - D. consumption
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5. People have different roles in our economic system—producer, provider, consumer, and investor. The person who buys stock in a company is

- A. an investor.
 - B. a consumer.
 - C. a provider.
 - D. a producer.
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6. One of the important parts of economics is interdependence. Which of the following is an example of interdependence?

- A. People make their own clothing.
 - B. People often move to places that aren't as crowded.
 - C. People need goods and services provided by other people.
 - D. People grow their own food.
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7. In economics, there are imports and exports. An import is

- A. merchandise shipped to a foreign country.
 - B. a tax on goods shipped to a foreign country.
 - C. merchandise shipped from a foreign country.
 - D. a tax on goods shipped from a foreign country.
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8. Trade is the exchange of goods and services. International trade sometimes involves the use of tariffs. Tariffs are

- A. a tax on imports.
 - B. goods shipped to a country.
 - C. a tax on exports.
 - D. goods shipped from a country.
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9. People play different roles in economics—producer, provider, consumer, and investor. The person working at a grocery store is a

- A. producer.
 - B. provider.
 - C. consumer.
 - D. investor.
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10. Which of the following situations will MOST LIKELY make the price of an item go down?

- A. The price of the natural resources needed to make the item increases.
- B. The supply of the item is greater than the demand for it.
- C. The price of the labor needed to make the item increases.
- D. The demand for the item is greater than the supply of the item.

Answer Key

1. C) land resources.
2. D) a computer made in the United States and sold in Indonesia
3. D) the study of the production and distribution of goods and services
4. A) land
5. A) an investor.
6. C) People need goods and services provided by other people.
7. C) merchandise shipped from a foreign country.
8. A) a tax on imports.
9. B) provider.
10. B) The supply of the item is greater than the demand for it.