

BASIC ECONOMICS QUIZ ANSWERS

1. Economics is the study of how things are made, bought, sold, and used.
2. Supply and demand
3. Land - (also natural resources), Labor - Workers, Capital - previous produced goods to make other goods, Entrepreneurship - creating something new
4. Getting goods to consumers
5. Customs are handed down from one generation to another. Examples can include: Thailand, Ethiopia, etc.
6. The government makes economic decisions. The government owns all means of production and distribution. There is no competition and businesses are not run for profit. Examples include: Russia, Cuba, China, etc.
7. Consumers make decisions. Means of production are privately owned. Supply and demand are the main factors in economic decisions. Competition for business. Individual profit is the motive. Examples include United States, Britain, etc.
8. Natural Resources - examples can include: land, air and water, Limited Resources- oil, Unlimited Resources/ Renewable Resources - solar power, forests, trees because of recycling.
9. Scarcity
10. Unlimited Wants and Limited Resources
3 Choices - What to produce, how to produce, and for whom to produce
11. Wants - examples include: stereos, jewelry, cars, etc.
12. Examples can include: food, clothing, and shelter.
13. income
14. the government
15. Consumers
16. Producers
17. Resources
18. Because individuals and the government share the decision making process.