

Directions: Answer the following question(s).

1 What is a direct effect of shortages of natural resources?

- A. labor strikes
- B. business stability
- C. lack of raw materials
- D. increases in banking regulations

Master ID: 1906834 Revision: 1
Correct: C
Standards:
SSEF1.a

2 Use the information to answer the question.

The constant effort toward population, which is found to act even in the most vicious societies, increases the number of people before the means of subsistence are increased.

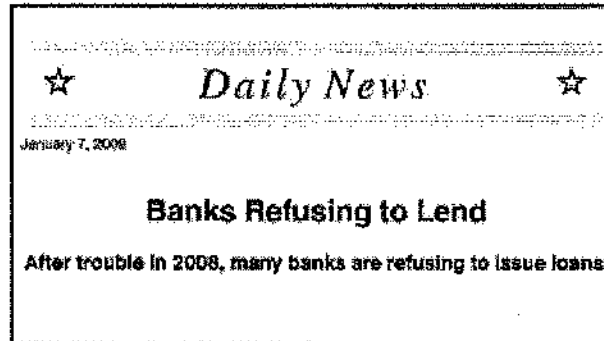
Which economist MOST LIKELY made this assertion?

- A. Adam Smith
- B. David Ricardo
- C. Thomas Malthus
- D. Karl Marx

Master ID: 165516 Revision: 1
Correct: C
Standards:
SSEF1.a

Directions: Answer the following question(s).

- 3 Use the news headline below to answer the question.



Based on the information, what was a likely effect of this change?

- A. It became easy to hire new employees.
- B. It became easy to buy new equipment.
- C. It became difficult to locate raw materials.
- D. It became difficult to start new businesses.

Master ID: 1906838 Revision: 1
Correct: D
Standards:
SSEF1.a

- 4 Which of these MOST directly contributes to the problem of economic scarcity?

- A. People have unlimited wants for goods and services.
- B. People must earn money to provide for their families.
- C. People have to pay taxes to governments for services.
- D. People must take risks to create and improve technology.

Master ID: 197423 Revision: 1
Correct: A
Standards:
SSEF1.a

Directions: Answer the following question(s).

- 5 Resources are distributed unevenly throughout the world. This fact MOST relates to the reasons for
- A. profit seeking.
 - B. free enterprise.
 - C. international trade.
 - D. business competition.

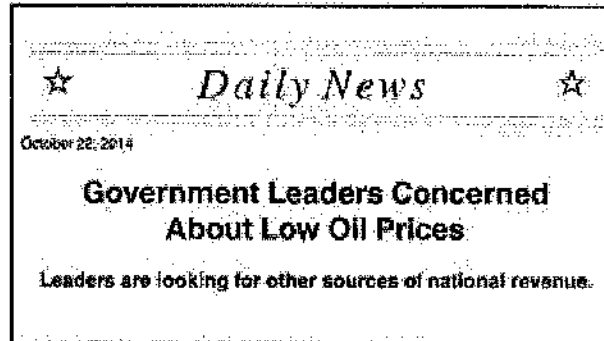
Master ID: 1973360 Revision: 1
Correct: C
Standards:
SSEF1.a

- 6 What are the four factors of production required for industrialization?
- A. capital, entrepreneurs, labor, natural resources
 - B. specialization, trade, markets, consumerism
 - C. interest, profit, demand, disposable income
 - D. goods, services, wages, technology

Master ID: 165446 Revision: 1
Correct: A
Standards:
SSEF1.b

Directions: Answer the following question(s).

- 7 Use the news headline below to answer the question.



What issue about an economic factor of production does this headline describe?

- A. lack of available labor
- B. lack of capital investment
- C. dependence on new businesses
- D. dependence on natural resources

Master ID: 1906823 Revision: 1
 Correct: D
 Standards: SSEF1.b

- 8 Use the excerpt below to answer the question.

[With crowdfunding], start-ups and small business will now have access to a big, new pool of potential investors—namely, the American people. For the first time, ordinary Americans will be able to go online and invest in entrepreneurs that they believe in.

—President Barack Obama at the signing of the JOBS Act Bill, April 5, 2012

How does crowdfunding MOST directly affect the economy of the United States?

- A. It enforces labor laws.
- B. It provides new capital.
- C. It locates raw materials.
- D. It helps to train workers.

Master ID: 1906825 Revision: 1
 Correct: B
 Standards: SSEF1.b

Directions: Answer the following question(s).

9 Which phrase BEST completes the list below?

Factors of Production

- Labor
- Natural resources
- Capital
- ?

- A. Consumer demand
- B. Entrepreneurship
- C. Regulation
- D. Urban growth

Master ID: 165775 Revision: 1
 Correct: B
 Standards: SSEF1.b

10 Which statement BEST describes the relationship between labor and capital?

Components of an Industrial Economy

Component	Definition
Labor	human activity that generates a good or a service
Capital	cash or durable goods used to produce goods or services

- A. Laborers help determine the amount of taxes paid by the owner of the capital.
- B. Entrepreneurs use capital with labor to produce goods for the marketplace.
- C. Capital is the result of competition between laborers and entrepreneurs.
- D. Capital will determine the number of laborers employed in a factory.

Master ID: 165995 Revision: 1
 Correct: B
 Standards: SSEF1.b

Directions: Answer the following question(s).

- 11 An entrepreneur decides to start a business and plans to do all manufacturing inside the USA because she is concerned about the increasing unemployment rate in the country. This would be an example of which motivation for an entrepreneur?
- A. Profit
 - B. Job Creation
 - C. Improving Society
 - D. Innovation

Master ID: 2685923 Revision: 1
Correct: B
Standards:
SSEF1.c

- 12 Use the definition to answer the question.

profit motive: the factor that encourages people to run successful businesses

What is MOST likely true about profit motive?

- A. It is the basis of a traditional economy.
- B. It is most important in a socialist economy.
- C. It drives the economy of a communist nation.
- D. It benefits an economy run on free enterprise.

Master ID: 1973378 Revision: 1
Correct: D
Standards:
SSEF1.c

Directions: Answer the following question(s).

13 Which action BEST replaces the question mark in the list below?

Primary Functions of Business Income

- Provide worker compensation
- Maintain business facilities
- Pay for other business overhead
- _____ ?

- A. Create a company hierarchical system
- B. Establish community training programs
- C. Donate to charitable foundations
- D. Ensure maximum amount of profit

Master ID: 166034 Revision: 1
Correct: D
Standards:
SSEF1.c

14 Use the information below to answer the question.

**Business Data for
Westside Warehousing, Inc.**

- Business Opened: March 2009
- Total Investment: \$1.2 million
- Total Revenue: \$310,000
- Net Loss: \$890,000
- Business Closed: August 2010

Which statement BEST explains this investment?

- A. The opportunity for profit motivates financial risks.
- B. The general likelihood of business success is very high.
- C. The corporate structure protects individuals from liability.
- D. The financing for new enterprises often comes from institutions.

Master ID: 194595 Revision: 1
Correct: A
Standards:
SSEF1.c

Directions: Answer the following question(s).

15 Use the information below to answer the question.

**Financial Data for the
New Talking Pages Bookstore**

• Initial Investment	\$210,000
• Expenses to Date	\$85,000
• Gross Revenue to Date	\$480,000
• Total Profit	\$195,000

How does this information represent a central factor in a market economy?

- A. Entrepreneurs seek support from outside investors.
- B. Entrepreneurs can use income to diversify their holdings.
- C. Entrepreneurs often play key roles in business management.
- D. Entrepreneurs expect rewards for taking risks with their assets.

Master ID: 194594 Revision: 1
Correct: D
Standards:
SSEF1.c

16 Which statement BEST explains the importance of economic decision making when scarcity is a factor?

- A. Each choice results in an opportunity cost.
- B. Economic decisions are made by the majority.
- C. Economic decisions provide access to more resources.
- D. Each choice must be made with incomplete information.

Master ID: 327951 Revision: 1
Correct: A
Standards:
SSEF1.d

Directions: Answer the following question(s).

17 Use the information below to answer the question.

A department store needs a new furniture salesperson and a new clothing salesperson but can only afford to hire one new employee.

Which statement **BEST** explains why the store owner chose to hire a furniture salesperson instead of a clothing salesperson?

- A. The cost for marketing new clothing was lower.
- B. The opportunity cost of selling more clothing was higher.
- C. There was a greater demand for clothing than for furniture.
- D. There were few applicants who knew about furniture.

Master ID: 194578 Revision: 1
Correct: B
Standards:
SSEF1.d

18 Use the information to answer the question.

The Intercoastal Aluminum Company makes aluminum products. It buys a fixed amount of aluminum through yearly contracts. Business in aluminum beverage cans is growing rapidly, while the market for aluminum foil has declined. This year, Intercoastal decides to use more of its aluminum for cans and less for foil.

In this scenario, what is the opportunity cost of producing more cans?

- A. the price of the total foil being produced
- B. the profits for the foil that was being produced
- C. the profits for the total number of cans being produced
- D. the price of the extra cans now being produced

Master ID: 166029 Revision: 1
Correct: B
Standards:
SSEF1.d

Directions: Answer the following question(s).

19 Which reason explains the need for economic choices?

- A. Services are limited and quantities demanded are low.
- B. Consumer wants are limited and resources are limited.
- C. Services are unlimited and quantities demanded are unlimited.
- D. Consumer wants are unlimited and resources are scarce.

Master ID: 327990 Revision: 1
Correct: D
Standards:
SSEF1.d

20 Use the list below to answer the question.

1. Treating a friend to lunch
2. Buying her grandmother a present
3. Seeing a movie
4. Buying a new sweatshirt

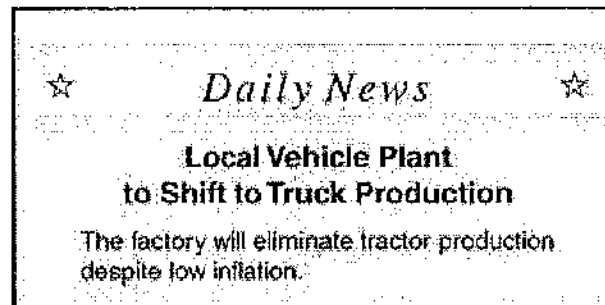
Maria has enough money to do only one thing on her list. After careful consideration she has ranked her choices as indicated above and decides to treat a friend to lunch. What is the opportunity cost of Maria's decision?

- A. Treating a friend to lunch
- B. Buying her grandmother a present
- C. Seeing a movie
- D. Buying a new sweatshirt

Master ID: 327991 Revision: 1
Correct: B
Standards:
SSEF1.d

Directions: Answer the following question(s).

21 Use the information below to answer the question.



Which idea BEST explains this news headline?

- A. Changes in consumption patterns make specialization difficult for producers.
- B. Declining competition in the marketplace can lead producers to limit their output.
- C. Limited capital resources require producers to weigh the benefits of alternatives.
- D. Rising costs for producers challenge them to find ways to increase profit margins.

Master ID: 194577 Revision: 1
Correct: C
Standards:
SSEF1.d

22 An owner of a landscaping business received extra income in the previous month. She is considering either buying a new lawnmower or spending the money on an advertising campaign in order to increase business in the next few months.

If the business owner chooses to spend the money on an advertising campaign, what is the opportunity cost?

- A. next month's income
- B. increased business
- C. the extra income
- D. the lawnmower

Master ID: 327983 Revision: 1
Correct: D
Standards:
SSEF1.d

Directions: Answer the following question(s).

23 Use the information to answer the question.

A student must decide between going to the movies with friends or staying home and studying for a final exam. She chooses to stay home and study.

Which economic term describes going to the movies in this scenario?

- A. comparative advantage
- B. equilibrium price
- C. income effect
- D. opportunity cost

Master ID: 165468 Revision: 1
Correct: D
Standards:
SSEF1.d

24 Which economic term describes the trade-off that would occur from extracting natural gas from an area instead of protecting existing endangered wildlife in that area?

- A. implicit cost
- B. marginal cost
- C. opportunity cost
- D. variable cost

Master ID: 165473 Revision: 1
Correct: C
Standards:
SSEF1.d

25 Available resources will never be enough to satisfy all human needs and wants. This basic problem of economics leads to which outcome?

- A. Inflation expands purchasing power.
- B. Workers earn more through overtime pay.
- C. Scarcity requires people to make choices.
- D. Personal expenses increase on an annual basis.

Master ID: 327982 Revision: 1
Correct: C
Standards:
SSEF1.d

Directions: Answer the following question(s).

- 26 The additional amount of effort, expense, or time one incurs from undertaking one more unit of an action is
- A. Opportunity Cost
 - B. Marginal Benefit
 - C. Trade off
 - D. Marginal Cost

Master ID: 2685077 Revision: 1
Correct: D
Standards:
SSEF2.a

- 27 The additional positive value one receives from undertaking one more unit of an action is
- A. Marginal cost
 - B. Marginal benefit
 - C. Opportunity cost
 - D. Trade off

Master ID: 2685069 Revision: 1
Correct: B
Standards:
SSEF2.a

- 28 Use the information to answer the question.

After eating a slice of pizza for lunch, a high school student is still hungry and chooses to buy a second slice of pizza.

What is the economic term for the benefit derived from eating the second slice of pizza?

- A. absolute advantage
- B. equilibrium price
- C. marginal utility
- D. opportunity cost

Master ID: 165474 Revision: 1
Correct: C
Standards:
SSEF2.b

Directions: Answer the following question(s).

- 29 Use the table below to answer the question.

Production Costs

Number of Units of Output	Total Cost (dollars)	?
0	100	0
1	180	80
2	250	70
3	310	60
4	360	50

Which column heading should replace the question mark?

- A. Fixed Cost
- B. Average Cost
- C. Marginal Cost
- D. Average Variable Cost

Master ID: 327992 Revision: 1
 Correct: C
 Standards: SSEF2.b

- 30 The price of gasoline in the United States in the 1970s increased greatly as oil imports decreased.

What effect did this change have on the economy?

- A. There was less investment in solar energy.
- B. Cars that used less gasoline became more popular.
- C. Gasoline refineries acted to increase their use of oil.
- D. The number of people using public transportation decreased.

Master ID: 1906840 Revision: 1
 Correct: B
 Standards: SSEF2.b

Directions: Answer the following question(s).

- 31 A subsidy is given to firms that develop new products which improve public health or safety. (A subsidy is a monetary transfer from a government to a business for undertaking a particular desirable action.)

Is this an example of a positive or negative incentive and what would be the appropriate response?

- A. Positive : Businesses will be more likely to invest in the capital goods and research for product or service if the government provides money to help offset the costs of the investment.
- B. Negative : Businesses will be less likely to invest in the capital goods and research for product or service if the government provides money to help offset the costs of the investment.
- C. Positive : Businesses will not make any decisions based off whether the government provides a subsidy.
- D. Negative : Businesses will only look out for their own self interest and financial gain in all situations.

Master ID: 2685098 Revision: 1
Correct: A
Standards:
SSEF2.c

- 32 When consumers are asked not to shop at the local grocery store because that store carries products made by a food company whose employees are on strike, they are engaging in

- A. picketing.
- B. coordinated campaigning.
- C. a secondary boycott.
- D. a primary boycott.

Master ID: 165510 Revision: 1
Correct: C
Standards:
SSEF2.c

- 33 Individuals caught breaking traffic laws face fines or other penalties.

The incentive above would be considered which of the following:

- A. Positive
- B. Neutral
- C. Negative
- D. Both positive and negative

Master ID: 2685247 Revision: 1
Correct: C
Standards:
SSEF2.c

Directions: Answer the following question(s).

34 What does the process of specialization do for an economy?

- A. It eliminates unemployment
- B. It increases productivity and efficiency
- C. It makes it easier to control
- D. It fosters competition

Master ID: 2685966 Revision: 1
Correct: B
Standards:
SSEF3

35 One way companies distinguish themselves from competitors is by

- A. promoting differences in products.
- B. increasing production capabilities.
- C. supporting antitrust legislation.
- D. improving safety standards for workers.

Master ID: 165503 Revision: 1
Correct: A
Standards:
SSEF3.a

36 In a competitive market, which action occurs when the price a consumer is willing to pay for a good goes up?

- A. The amount of other goods purchased will also increase.
- B. Some companies will decide to produce alternate goods.
- C. The government will subsidize the production of the good.
- D. Some companies will shift resources to make more of the good.

Master ID: 197404 Revision: 1
Correct: D
Standards:
SSEF3.a

Directions: Answer the following question(s).

37 Assigning workers one task that is to be performed repeatedly is referred to as

- A. a division of labor.
- B. productivity.
- C. specialization.
- D. a cottage industry.

Master ID: 165475 Revision: 1
Correct: C
Standards:
SSEF3.a

38 Use the excerpt below to answer the question.

Since 2004, Brazil has been the world's largest beef and poultry exporter and fourth-largest pork exporter, with total meat sales generating over US \$8 billion in 2005. Exports have been driven by the combination of rising incomes in many parts of the world and Brazil's ready availability of land and feed resources to support meat production.

—U.S. Department of Agriculture, *Amber Waves*, 2006

Which factor BEST explains how these developments improve Brazil's productive efficiency?

- A. They support protection of domestic industries.
- B. They increase the variety of consumer goods.
- C. They encourage greater specialization.
- D. They reduce levels of domestic competition.

Master ID: 194906 Revision: 1
Correct: C
Standards:
SSEF3.a

39 Which BEST explains why ethical conduct in business is important in a free enterprise system?

- A. It ensures that all companies are operating by similar rules.
- B. It ensures that all products are priced so profits are made.
- C. It ensures that all machines are built to work efficiently.
- D. It ensures that all workers are given enough training.

Master ID: 1973391 Revision: 1
Correct: A
Standards:
SSEF3.b

Directions: Answer the following question(s).

40 Use the information to answer the question.

A restaurant saves money by lying to customers about the ingredients it uses.

Which BEST describes how this activity hurts the free enterprise system?

- A. It could cause the employees to work at other restaurants.
- B. It could reduce the amount of foods served by the restaurant.
- C. It could decrease the number of suppliers used by the restaurant.
- D. It could lead customers to believe this practice is used at other restaurants.

Master ID:	1973393	Revision:	1
Correct:	D		
Standards:	SSEF3.b		

41 Use the information to answer the question.

Several grocery store chains secretly agree to charge consumers the same price for milk and other dairy products.

Which of these BEST describes an effect of this type of activity?

- A. It hurts monopolies.
- B. It hurts market competition.
- C. It helps consumers afford goods.
- D. It helps create new business methods.

Master ID:	1973394	Revision:	1
Correct:	B		
Standards:	SSEF3.b		

Directions: Answer the following question(s).

42 Use the information to answer the question.

A chemical factory saves money by illegally dumping waste.

Which BEST describes how this activity hurts a free enterprise system?

- A. It results in a loss of factory resources.
- B. It poses a health risk for factory workers.
- C. It creates an unfair advantage over other factories.
- D. It causes customers to purchase the goods of other factories.

Master ID: 1973392 Revision: 1
Correct: C
Standards:
SSEF3.b

43 Which is an example of unethical business behavior harming the free enterprise system?

- A. A factory has to pay to train its workers about pollution laws.
- B. A business has to get a license to sell its products in public places.
- C. A restaurant chain fails a health inspection given by government officials.
- D. A company increases its stock price by giving false information about its profits.

Master ID: 1973388 Revision: 1
Correct: D
Standards:
SSEF3.b

44 Use the passage below to answer the question.

Since 2011, the Cuban government has slowly been making economic changes. It has shown a desire to loosen its socialist system. Cubans have been allowed to buy more types of goods and own property. Many people are now allowed to open stores for "self-employment."

What is MOST likely the goal of these changes?

- A. to encourage entrepreneurs
- B. to control factory production
- C. to discourage business loans
- D. to reduce the use of natural resources

Master ID: 1906829 Revision: 1
Correct: A
Standards:
SSEF4.a

Directions: Answer the following question(s).

45 Use the list to answer the question.

Economic Features of a Country

- Most property is privately owned.
- Government makes important economic decisions.

Which is MOST likely to occur in this country?

- A. Most people live in government-owned buildings.
- B. The government enforces regulations on business activities.
- C. People are required to work where the government assigns them.
- D. The government sets limits on how much profit companies can make.

Master ID: 1973373 Revision: 1
Correct: B
Standards:
SSEF4.a

46 When the resource allocation decisions are made by the government but property is typically owned by individuals, this type of economy is MOST likely

- A. market capitalism.
- B. market socialism.
- C. command capitalism.
- D. authoritarian socialism.

Master ID: 165476 Revision: 1
Correct: C
Standards:
SSEF4.a

Directions: Answer the following question(s).

47 Which scenario BEST compares these economies?

Communist Command Economy	Free Market Economy
<ul style="list-style-type: none"> • production of goods is controlled by the central authority • wages and job availability are controlled by the central authority 	<ul style="list-style-type: none"> • price driven by the demands of the market • production of goods determined by consumer demand

- A. Labor unions are encouraged in a communist command economy.
- B. Governments control factors of production in communist command economies.
- C. Workers in a communist command economy control the price of goods.
- D. Global market shifts influence what is produced in a communist command economy.

Master ID: 165943 Revision: 1
 Correct: B
 Standards: SSEF4.a

48 Which example BEST characterizes these economies?

Command Economy — Zimbabwe's formal labor market is not functioning due to the government's failed economic policies and continuing control. Labor regulations are not enforced effectively.

Market Economy — Individuals and businesses within the United States have, with minimal government interference, the freedom to choose among an array of goods and services according to their tastes and preferences.

- A. The United States government regulates industry while the Zimbabwean government owns the means of production.
- B. The United States promotes diversity in investments while Zimbabwe focuses on a single commodity.
- C. Zimbabwe produces natural resources while the United States relies on importing natural resources.
- D. Zimbabwe's government supports failing businesses while the United States refuses to help unsuccessful businesses.

Master ID: 166073 Revision: 1
 Correct: A
 Standards: SSEF4.a

Directions: Answer the following question(s).

49 All economic systems have to answer the following questions.

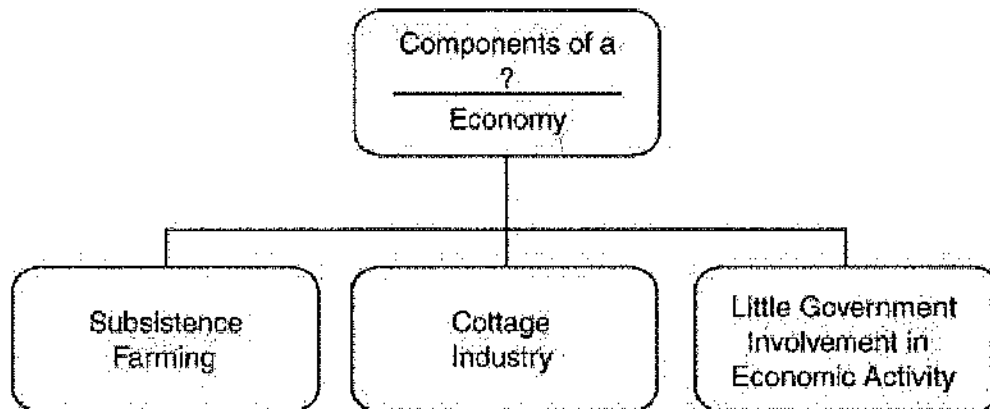
- What goods should be produced?
- How should the goods be produced?
- For whom should the goods be produced?

Why must these questions be asked?

- A. The forces of supply and demand are unreliable.
- B. There are unlimited wants and limited resources.
- C. There is inequality in the distribution of resources.
- D. The opportunity cost of specialization is high.

Master ID: 328116 Revision: 1
 Correct: B
 Standards: SSEF4.b

50 Use the diagram to answer the question.



Which of these BEST replaces the question mark?

- A. Command
- B. Market
- C. Mixed
- D. Traditional

Master ID: 165021 Revision: 1
 Correct: D
 Standards: SSEF4.b

Directions: Answer the following question(s).

51 Use the excerpt below to answer the question.

... [S]ome years ago the Soviet Union had such a morale problem with the workers on the collective farms that they finally gave each worker a little plot of ground and told him he could farm it for himself and sell in the open market what he raised. Today, less than 4 percent of Russia's agricultural land is privately farmed in that way, and on that 4 percent is raised 40 percent of all of Russia's vegetables, and 60 percent of all its meat.

— "What Ever Happened to Free Enterprise," Governor Ronald Reagan, 1978

According to this excerpt, which advantage did the Soviet Union gain by adopting a characteristic of the free enterprise system?

- A. faster progress in innovation
- B. greater efficiency of production
- C. better distribution of resources
- D. more cooperation among producers

Master ID: 197411 Revision: 1
Correct: B
Standards:
SSEF4.b

52 When an automobile manufacturer builds 200,000 units of its top selling model, the company is responding mainly to which question?

- A. Where to produce?
- B. How to produce?
- C. What to produce?
- D. When to produce?

Master ID: 165470 Revision: 1
Correct: C
Standards:
SSEF4.b

Directions: Answer the following question(s).

53 Use the information below to answer the question.

The North Valley Forest should be released from government control and sold to timber companies, thereby becoming private property. The timber companies currently have access to this government-controlled land, but the use of the natural resources is unorganized, clearly inefficient, and wasteful.

—Letter to a newspaper editor

Which statement would **BEST** support the claim of the letter writer?

- A. Land that is privately owned is less subject to environmental regulations.
- B. Resource use is less likely to be sustainable if the land is privately owned.
- C. Owners have strong incentives to maintain the value of private property.
- D. Division into private property will better guarantee equal access.

Master ID: 194582 Revision: 1
Correct: C
Standards:
SSEF4.b

54 This map reflects differing views among states on which public policy issue?

- A. how extensive job-training programs should be
- B. how strict employment discrimination laws need to be
- C. how closely government should regulate places of employment
- D. how much legal protection labor unions can provide

Master ID: 166043 Revision: 1
Correct: D
Standards:
SSEF4.c

Directions: Answer the following question(s).

- 55 Gloria owns a business that fixes and sets up computers. In January, she charged her client Evan \$200.00 to set up a wireless Internet network in his home. The price included all of the supplies necessary for the network. By charging \$200.00, Gloria made a \$45.00 profit on the work she did for Evan. A new client, Wilson, called Gloria in April and wanted a wireless network set up for \$200.00. Gloria discovered that the price of wireless routers had increased to \$110.00.

\$100.00	wireless router
\$50.00	wireless card for computer
\$5.00	cable
\$155.00	total cost of supplies

To keep the same profit, what will Gloria MOST likely tell Wilson?

- A. She thinks that he should wait until the price of wireless routers goes back down.
 B. She will charge \$200.00 because that is what she charged the last client.
 C. She is not making enough of a profit to continue setting up computers.
 D. She needs to raise her price to \$210.00 to match the rising cost of supplies.

Master ID: 194454 Revision: 1
 Correct: D
 Standards: SSEF4.c

- 56 Which factor BEST completes the below list?

Factors Affecting Wage Differences Among Jobs

- Levels of education and training required
- Cost of living in different geographic locations
- Value of the goods and services produced
- ?

- A. Personal attitudes and beliefs
 B. Commuting distance to work
 C. Supply and demand for labor
 D. Socioeconomic status of employees

Master ID: 166150 Revision: 1
 Correct: C
 Standards: SSEF4.c

Directions: Answer the following question(s).

57 Use the passage below to answer the question.

The United States leases publicly owned lands to businesses to use for coal mining. In 2013, about 475,000 acres of land were leased for coal mining across the country.

Which of these **BEST** explains the purpose of coal leases?

- A. to increase government hiring
- B. to increase trade with other nations
- C. to increase imports of industrial machinery
- D. to increase the availability of natural resources

Master ID: 1906830 Revision: 1
Correct: D
Standards:
SSEF5.a

58 An example of the role of government in a market economy is

- A. taxing the wealthiest citizens to redistribute the wealth.
- B. planning the levels of production for all manufacturing and retail businesses.
- C. establishing minimum levels of wages and workers' benefits.
- D. funding the new construction of inner-city infrastructure.

Master ID: 165480 Revision: 1
Correct: D
Standards:
SSEF5.a

59 No government has the assets to supply everything its citizens might want or need. What does this basic economic fact force governments to do?

- A. save money by cutting current spending on goods and services
- B. increase federal taxes so that more goods are affordable in the future
- C. conserve resources to enable the manufacture of more goods
- D. make choices among goods and services currently on the market

Master ID: 166121 Revision: 1
Correct: D
Standards:
SSEF5.a

Directions: Answer the following question(s).

60 Which statement explains the role of government in the French economy?

Characteristics of the Economy in France

The Government:

- maintains a strong presence in utilities, transportation, and defense
- has partially or fully privatized many large companies and banks
- strives to increase its reliance on market forces and to reduce state ownership

- A. The French government maintains full control over the economy.
- B. The French government attempts to distribute wealth.
- C. France is making a transition toward a free enterprise system.
- D. France is increasing regulation over the private sector of the economy.

Master ID: 165644 Revision: 1
Correct: C
Standards:
SSEF5.a

61 How will a city MOST likely obtain money to pay for a new middle school?

- A. raise the income tax rate
- B. merge municipal agencies
- C. promote local fundraisers
- D. raise the local property tax

Master ID: 166085 Revision: 1
Correct: D
Standards:
SSEF5.a

62 A significant increase to the minimum wage is likely to

- A. decrease worker productivity levels.
- B. improve job stability.
- C. increase prices of consumer products.
- D. decrease the unemployment rate.

Master ID: 194907 Revision: 1
Correct: C
Standards:
SSEF5.b

Directions: Answer the following question(s).

63 Which group of people is the Federal Trade Commission mainly concerned with protecting?

- A. laborers
- B. students
- C. consumers
- D. entrepreneurs

Master ID: 1973872 Revision: 1
Correct: C
Standards:
SSEF5.b

64 Use the news headline to answer the question.



What type of government action would MOST likely cause the event described in the news headline?

- A. asking businesses to create certain products
- B. encouraging businesses to hire more workers
- C. alerting businesses to the availability of loans
- D. requiring businesses to use new equipment

Master ID: 1973412 Revision: 1
Correct: D
Standards:
SSEF5.b

Directions: Answer the following question(s).

65 Use the list below to answer the question.

Some Regulations of the U.S. Food and Drug Administration (FDA)

- Companies that make new medicine must get FDA approval indicating that the medicines are safe to use.
- Companies that package food must include a list of ingredients on the package.
- Companies are required to refund money for products that have been found to be dangerous to consumers.

Based on the information in the list, how do FDA regulations affect companies?

- A. Companies must ask the FDA what prices to charge.
- B. Companies must spend resources to follow FDA rules.
- C. Companies must obtain their raw materials from the FDA.
- D. Companies must allow their workers to be trained by the FDA.

Master ID:	1973415	Revision:	1
Correct:	B		
Standards:	SSEF5.b		

66 Why does the U.S. government enforce antitrust laws?

- A. to ensure the development of public goods and services
- B. to create incentives for research and development
- C. to develop large-scale efficient industries
- D. to ensure competition in the marketplace

Master ID:	197459	Revision:	1
Correct:	D		
Standards:	SSEF5.b		

Directions: Answer the following question(s).

67 Use the information below to answer the question.

A computer store owner pays her salespeople a fixed hourly wage. She has also decided to pay those employees 5% of the revenue for any sale they make.

Which statement BEST explains the reason behind this decision?

- A. Employees will be encouraged to attend training classes.
- B. Employees will be motivated to be more productive at work.
- C. Employees will be prevented from being overly competitive.
- D. Employees will be discouraged from selling substandard goods.

Master ID: 194580 Revision: 1
Correct: B
Standards:
SSEF6.a

68 Which change would LEAST impact a worker's productivity?

- A. The worker's education level increases.
- B. The number of workers employed increases.
- C. The worker's attitude and motivation improves.
- D. The amount of capital goods available increases.

Master ID: 194391 Revision: 1
Correct: B
Standards:
SSEF6.a

69 Major advances in telecommunications technology have affected developing countries by providing

- A. increased access to natural resources.
- B. improved manufacturing methods.
- C. rapid growth within service sectors.
- D. reliable methods for fair elections.

Master ID: 197300 Revision: 1
Correct: C
Standards:
SSEF6.b

Directions: Answer the following question(s).

70 Which economic change best explains a reduction in coffee prices?

- A. increased need for subsistence farming
- B. improved technology for commercial production
- C. rapid wage increases for factory workers
- D. adoption of tariffs on imported goods

Master ID: 165645 Revision: 1
Correct: B
Standards:
SSEF6.b

71 Use the information below to answer the question.

In order to increase employee performance, an employer is offering to reward the most productive workers with several incentives:

- Extra vacation time
- A special parking spot
- A preferred work space

How are monetary incentives different from the incentives in this list?

- A. An employee would find nonmonetary incentives more desirable.
- B. An employee would be less productive upon receiving monetary incentives.
- C. An employee would increase productivity to attain nonmonetary incentives.
- D. An employee would have more choices with monetary incentives.

Master ID: 194579 Revision: 1
Correct: D
Standards:
SSEF6.c

Directions: Answer the following question(s).

72 Which conclusion can be supported by the information in this graph?

- A. People with a professional degree earn more than twice as much as people with only a bachelor's degree.
- B. People with a master's degree earn nearly twice as much as people with only a high school education.
- C. People with a doctoral degree are half as likely to be unemployed as people with a bachelor's degree.
- D. People with some college education are half as likely to be unemployed as people with only some high school education.

Master ID: 165965 Revision: 1
Correct: B
Standards:
SSEF6.c

73 What is the primary economic benefit of government programs that provide grants and subsidized loans for college education?

- A. protecting jobs for professors and academic researchers
- B. improving the potential human capital of individuals
- C. earning profit on the interest charged to students
- D. stabilizing the job market by keeping students in school

Master ID: 328115 Revision: 1
Correct: B
Standards:
SSEF6.c

74 Use the information to answer the question.

While financial incentives are effective in motivating both buyers and sellers in the marketplace, nonfinancial incentives are often more effective in encouraging employee creativity over time in the workplace.

Based on this information, which incentive will MOST likely have a long-term impact on the creativity of the workforce?

- A. lowered interest rates
- B. implementation of flexible work hours
- C. improved anti-union laws
- D. creation of health-care plans

Master ID: 166030 Revision: 1
Correct: B
Standards:
SSEF6.c

Directions: Answer the following question(s).

- 75 In the past year, many employees have left Company A to work at Company B.

Hiring Packages	
Company A	Company B
End-of-year bonus	Two additional sick days
\$200 Employee of the Month Award	On-site child care
Opportunity for overtime work	On-site fitness center

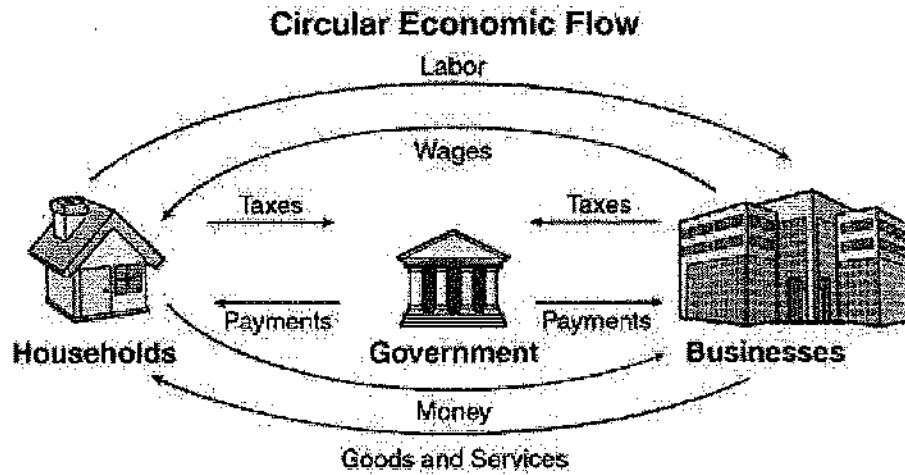
Which of the following **BEST** explains this trend?

- A. The employees want to be promoted more quickly.
- B. Company B offers more earning potential.
- C. The employees value non-monetary incentives.
- D. Company A makes employees feel more appreciated.

Master ID: 166157 Revision: 1
 Correct: C
 Standards:
 SSEF6.c

Directions: Answer the following question(s).

1 Use the diagram below to answer the question.



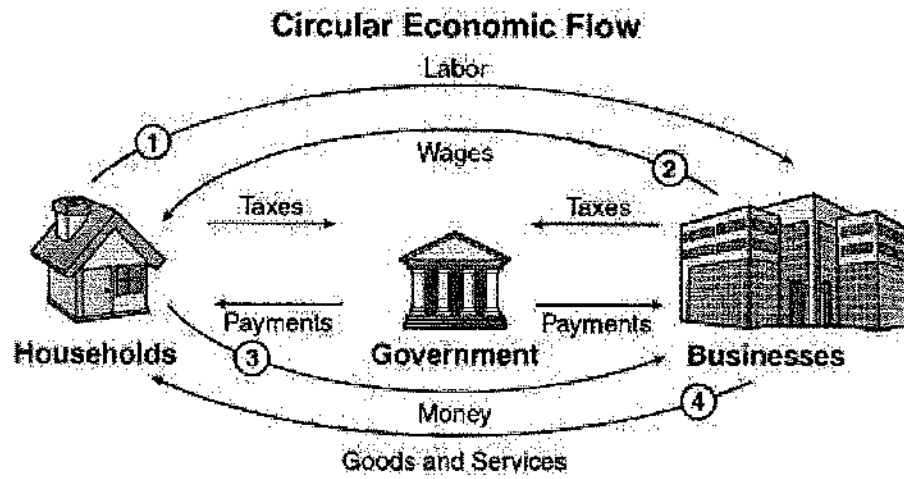
Which government action would MOST likely increase the flow of money from households to businesses?

- A. an expansion of public services
- B. an increase in interest rates
- C. an increase in workplace regulations
- D. a reduction of personal income tax

Master ID:	328107	Revision:	1
Correct:	D		
Standards:	SSEM1.a		

Directions: Answer the following question(s).

2 Use the diagram below to answer the question.



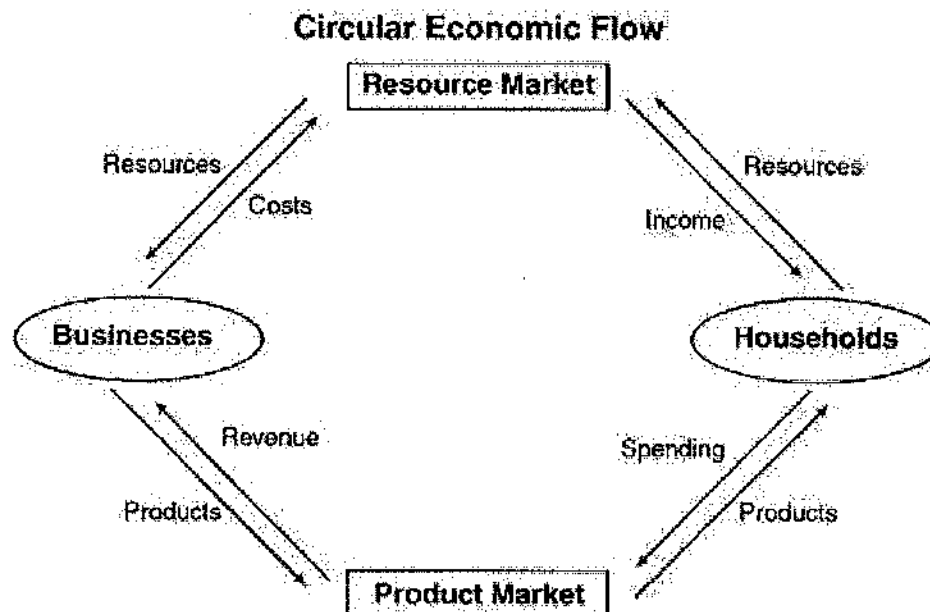
How would the flows in this diagram MOST likely be affected by higher personal income tax rates?

- A. Line 1 would increase.
- B. Line 2 would decrease.
- C. Line 3 would decrease.
- D. Line 4 would increase.

Master ID:	328109	Revision:	1
Correct:	C		
Standards:	SSEMI1.a		

Directions: Answer the following question(s).

- 3 Use the diagram below to answer the question.



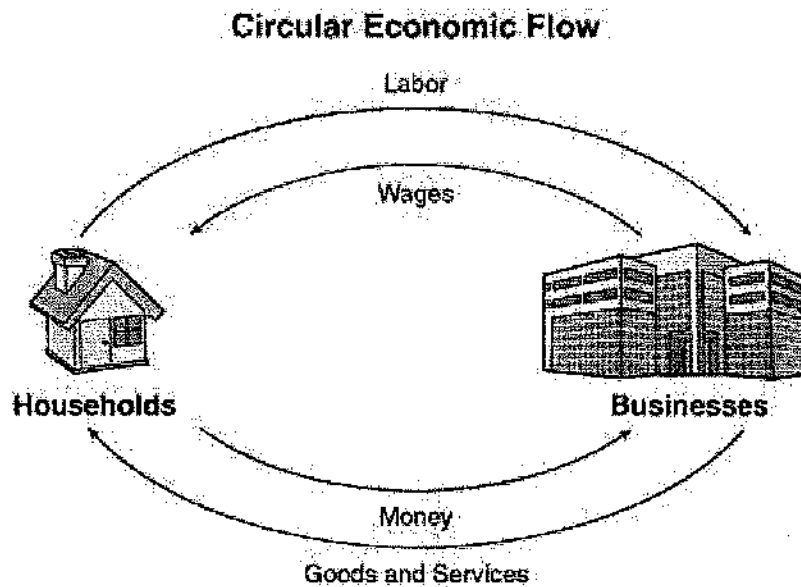
Based on this circular flow model, how do global interactions affect the domestic economy?

- A. Foreign trade removes money from the flow.
- B. Lending to other countries adds money to the flow.
- C. Increased military spending removes money from the flow.
- D. Exports remove money and add resources to the flow.

Master ID:	328129	Revision:	1
Correct:	A		
Standards:	SSEMI1.a		

Directions: Answer the following question(s).

4 Use the diagram below to answer the question.



Which international event would result in a net increase for households in the circular economic flow of the United States?

- A. the British pound becoming relatively weaker against the U.S. dollar
- B. regulation in China to limit currency inflation
- C. the Canadian dollar becoming stronger against the U.S. dollar
- D. inflation increasing significantly

Master ID: 328141 Revision: 1
 Correct: A
 Standards: SSEMI1.a

5 When a country increases its exports to the United States, which part of the domestic circular economic flow will this increase MOST directly affect?

- A. resource costs to businesses
- B. household access to goods and services
- C. wages sent to households
- D. household resources spent in markets

Master ID: 197415 Revision: 1
 Correct: B
 Standards: SSEMI1.a

Directions: Answer the following question(s).

6 When the quantity demanded for a product is less than the quantity supplied, the market

- A. is in equilibrium.
- B. price is too low.
- C. has a shortage of products.
- D. has a surplus of products.

Master ID: 165494 Revision: 1
Correct: D
Standards:
SSEMI2.a

7 Disequilibrium is defined as

- A. a point at which market prices and supply align.
- B. the price at which quantity demanded equals quantity supplied.
- C. the point at which marginal revenue is greater than marginal cost.
- D. an imbalance between supply and demand.

Master ID: 165491 Revision: 1
Correct: D
Standards:
SSEMI2.a

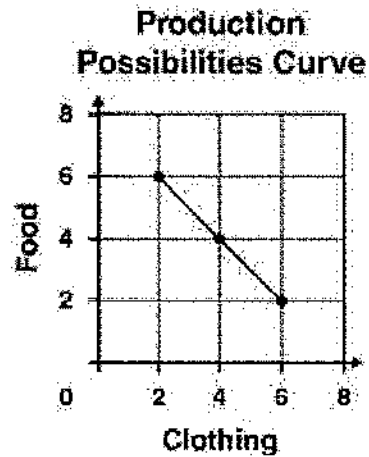
8 The amount of a good or service that consumers are willing to buy at a particular price is defined as

- A. final product.
- B. marginal utility.
- C. personal savings.
- D. quantity demanded.

Master ID: 165484 Revision: 1
Correct: D
Standards:
SSEMI2.a

Directions: Answer the following question(s).

- 9 Use the graph below to answer the question.



Which economic issue is illustrated in this graph?

- A. Choices must be made due to scarcity.
- B. Production of multiple goods creates inefficiency.
- C. The costs of food and clothing are equivalent.
- D. Production of food and clothing requires the same resources.

Master ID:	327989	Revision:	1
Correct:	A		
Standards:	SSEMI2.a		

- 10 An example of a non-price determinant of a decrease in supply of wheat for bread would be

- A. the introduction of new fertilizers that increase wheat crop yields.
- B. a drought in the farming states of the Midwest.
- C. an increase in the cost of bread on store shelves.
- D. foreign farmers export wheat to the United States.

Master ID:	165488	Revision:	1
Correct:	B		
Standards:	SSEMI2.a		

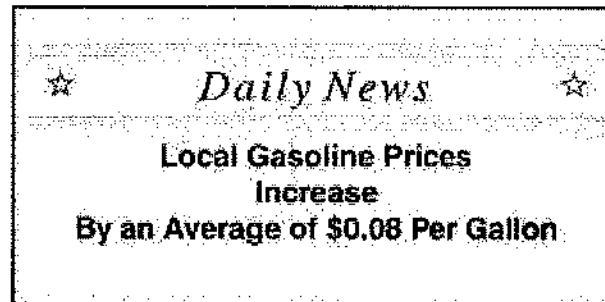
Directions: Answer the following question(s).

11 Which statement regarding the competition between buyers and sellers in the marketplace is TRUE?

- A. Firms in a market attempt to maximize profit by adjusting their levels of production.
- B. Competitive markets usually have an equal number of buyers and sellers.
- C. Sellers typically cooperate within a competitive market to set an industry price for a product.
- D. Buyers in the marketplace are more concerned with acquiring the product than maximizing utility.

Master ID: 165499 Revision: 1
Correct: A
Standards:
SSEMI2.c

12 Use the information below to answer the question.



Which factor related to gasoline BEST explains this increase?

- A. slowing of petroleum-production growth
- B. expanded use of petroleum reserves
- C. increasing numbers of petroleum refineries
- D. declining consumption of other petroleum products

Master ID: 194584 Revision: 1
Correct: A
Standards:
SSEMI2.c

Directions: Answer the following question(s).

13 Use the information below to answer the question.

Foreign computer manufacturers produce new desktop computers for export. As a result, U.S. computer manufacturers face new challenges in the marketplace.

Which statement BEST explains the consequence of these developments?

- A. The growth of competition will lead to greater production costs.
- B. The availability of substitutes will drive down the price of a product.
- C. The size of the market will slow the progress of product innovation.
- D. The expansion of consumer choice will strengthen demand for all products.

Master ID: 194592 Revision: 1
 Correct: B
 Standards: SSEMI2.c

14 Use the table below to answer the question.

Average Unit Price of Desktop and Notebook Computers

Year	Desktop	Notebooks
1992	\$2550	\$3700
1996	\$2400	\$3100
2000	\$1550	\$2300
2004	\$1250	\$1600

Source: Jason Dedrick and Kenneth L. Kraemer,
Globalization of Innovation: The Personal Computing Industry, 2008

Which development resulted in the trend illustrated in this table?

- A. Implementation of technology enabled more effective safety regulations.
- B. Increased competition encouraged innovation and price reductions.
- C. Innovations in production contributed to a reduced demand for skilled labor.
- D. Government contracts promoted higher levels of production and consumption.

Master ID: 197386 Revision: 1
 Correct: B
 Standards: SSEMI2.c

Directions: Answer the following question(s).

15 Use the information below to answer the question.

**Dry-Cleaning Businesses
in the Town of Lafayetteville**

- 2006—Two
- 2011—Six

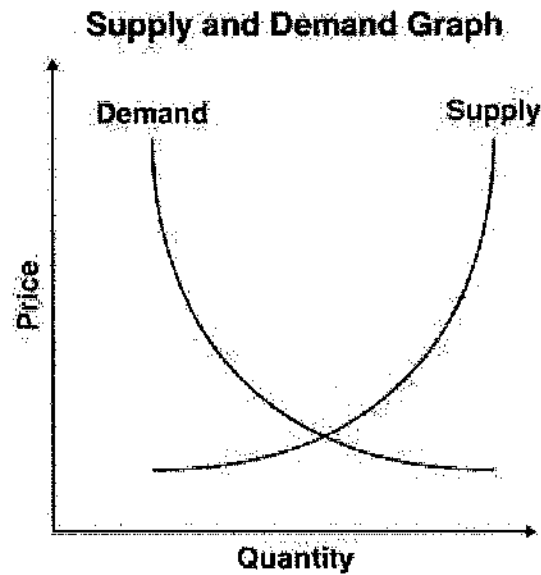
Which factor explains how this change affected prices for dry cleaning in this town?

- A. A higher degree of competition drove up prices.
- B. A higher level of scarcity caused prices to fall.
- C. A greater supply caused prices to decrease.
- D. A greater demand for services made prices increase.

Master ID: 194587 Revision: 1
Correct: C
Standards:
SSEMI2.c

Directions: Answer the following question(s).

- 16 Use the graph below to answer the question.



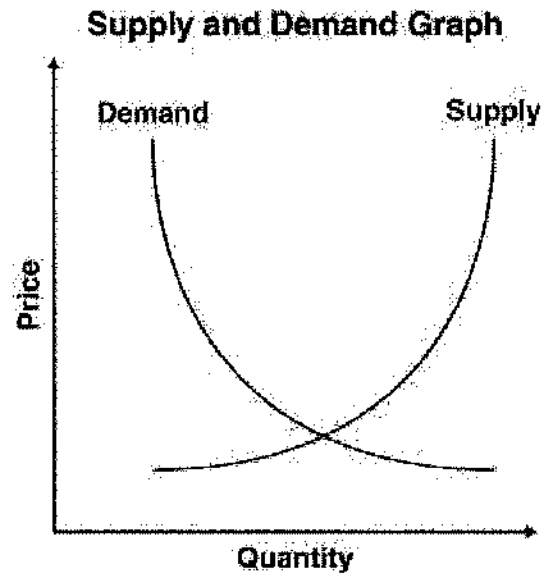
How would this graph MOST likely change if there were an increase in the production efficiency for a complementary good?

- A. The demand curve would shift left.
- B. The demand curve would shift right.
- C. The supply curve would shift left.
- D. The supply curve would shift right.

Master ID:	197482	Revision:	1
Correct:	B		
Standards:	SSEMI2.d		

Directions: Answer the following question(s).

- 17 Use the graph below to answer the question.



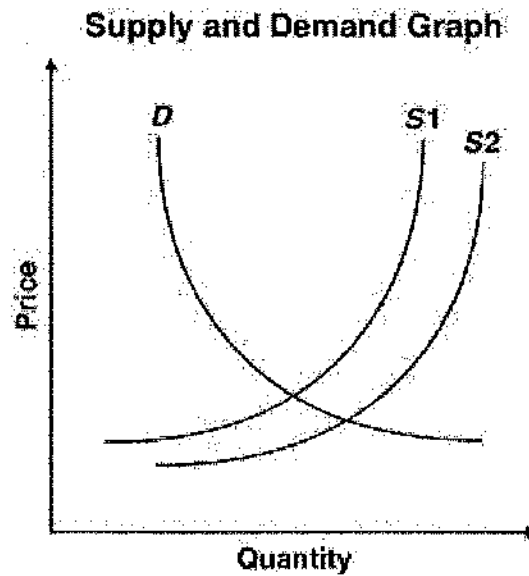
How would this graph **MOST** likely change if the price of a complementary good were to increase?

- A. The demand curve would shift to the left.
- B. The demand curve would shift to the right.
- C. The supply curve would shift to the left.
- D. The supply curve would shift to the right.

Master ID:	197481	Revision:	1
Correct:	A		
Standards:	SSEMI2.d		

Directions: Answer the following question(s).

18 Use the graph below to answer the question.



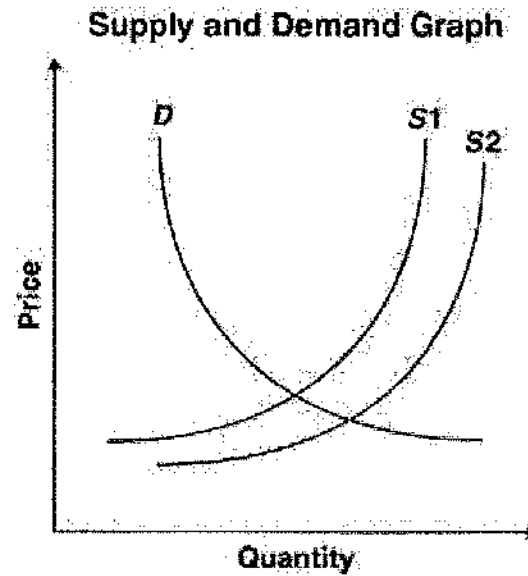
Which statement **BEST** explains the movement from S1 to S2 shown on this graph?

- A. an increase in workers' salaries
- B. technological improvements in production
- C. higher costs for natural resources
- D. a decline in the production of a substitute good

Master ID:	197479	Revision:	1
Correct:	B		
Standards:	SSEMI2.d		

Directions: Answer the following question(s).

- 19 Use the graph below to answer the question.



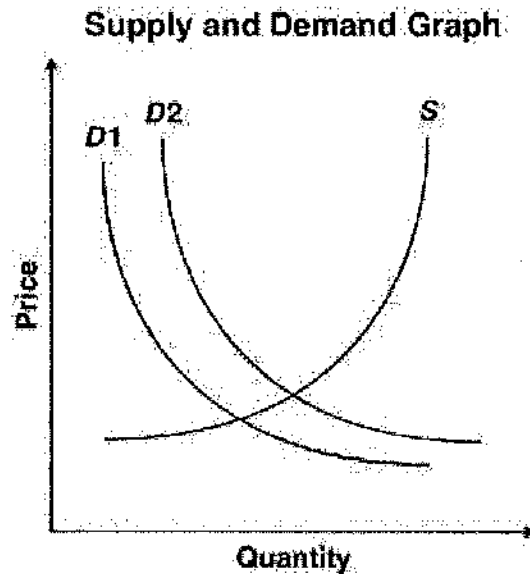
How would a shift from S1 to S2 MOST likely affect a substitute good?

- A. The price would decrease because demand would decrease.
- B. The price would increase because demand would decrease.
- C. The price would decrease because demand would increase.
- D. The price would increase because demand would increase.

Master ID:	197483	Revision:	1
Correct:	A		
Standards:	SSEMI2.d		

Directions: Answer the following question(s).

20 Use the graph below to answer the question.



Which statement **BEST** describes the cause of the movement from *D1* to *D2*, as shown on this graph?

- A. a decrease in the price of a complementary good
- B. a decrease in the quantity of a competing good
- C. an increase in the quantity of a substitute good
- D. an increase in the price of an inferior good

Master ID:	327955	Revision:	1
Correct:	A		
Standards:	SSEMI2.d		

Directions: Answer the following question(s).

21 Use the information below to answer the question.

A Chinese automobile manufacturer announces new models. The new vehicles are expected to go on sale next fall in Europe and North America.

Which factor explains how this development is likely to affect U.S. automobile markets?

- A. Improvements in technology will enhance reliability.
- B. Expanded consumer choice will drive down prices.
- C. More intense competition will reduce the quality of goods.
- D. Increased demand for a product will cause prices to rise.

Master ID: 194591 Revision: 1
Correct: B
Standards:
SSEM2.e

22 Use the information below to answer the question.

An owner started a new marketing campaign for her outdoor-gear store. This involved improving the store's website and advertising on television, the radio, and mailing catalogs. As a result, the number of customers increased by 50% over several months.

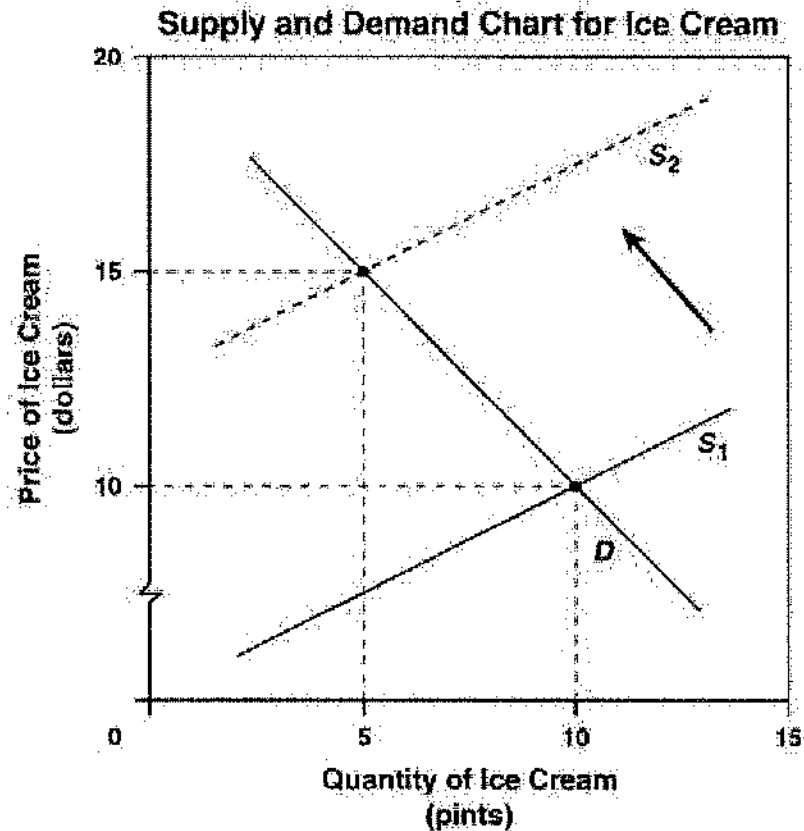
What was the eventual effect of the advertising on store prices?

- A. a decrease due to greater volume of sales
- B. a decrease due to greater scarcity of goods
- C. an increase due to greater consumer demand
- D. an increase due to greater supplier competition

Master ID: 194585 Revision: 1
Correct: C
Standards:
SSEM2.e

Directions: Answer the following question(s).

23 Use the graph below to answer the question.



Which statement BEST supports the shift demonstrated in this graph?

- A. A decrease in the price of frozen yogurt increases the supply of ice cream.
- B. An increase in the price of sugar reduces the supply of ice cream.
- C. A decrease in the price of dairy products increases the supply of ice cream.
- D. An increase in the price of frozen yogurt decreases the supply of ice cream.

Master ID:	197405	Revision:	1
Correct:	B		
Standards:	SSEMI2.e		

Directions: Answer the following question(s).

24 The cost of manufacturing a specific good in a developing country is less than the cost to manufacture it in the United States. What is the MOST likely result if that country exports the good to U.S. markets?

- A. Prices will decrease and the quantity produced will increase.
- B. Congress will raise the rates on international tariffs.
- C. Prices will remain stable but quality will decline.
- D. Companies will expand production to compete in the industry.

Master ID: 166163 Revision: 1
Correct: A
Standards:
SSEMI2.e

25 What would be the effect of having several grocery stores in the same area?

- A. The supply of food would decrease due to demand.
- B. Prices would decrease as the result of competition.
- C. The demand of food would increase due to more variety.
- D. Prices would remain the same initially, then rise.

Master ID: 197406 Revision: 1
Correct: B
Standards:
SSEMI2.e

26 Nominal prices, sometimes called current dollar prices, measure the dollar value of a product at the time it was produced. Real prices are adjusted for general price-level changes over time.

Based on this information, which economic measure is BEST applied to determine real prices?

- A. unemployment
- B. store inventory
- C. interest rates
- D. inflation

Master ID: 327986 Revision: 1
Correct: D
Standards:
SSEMI2.f

Directions: Answer the following question(s).

27 Use the excerpt below to answer the question.

Computer specialists did not exist in 1910, and there were few, if any, in 1950, so they do not appear in the 1950 census. . . . The first commercial electronic computer was delivered in 1951, and employment data on computer specialists were first collected in the 1960 Census. Computer specialists grew 95 times as a proportion of total employment between 1960 and 2000, from 0.02 percent to 1.92 percent.

—“Occupational Changes during the 20th Century,” Ian D. Wyatt and Daniel E. Hecker, U.S. Bureau of Labor Statistics, 2006

Which statement is BEST supported by the excerpt?

- A. Computer purchases by the average household decreased as prices increased.
- B. The increased use of computers created a new type of employment category.
- C. Companies benefited from the widespread use of workplace computers.
- D. The increase in computer companies was a result of the baby-boom generation.

Master ID: 429963 Revision: 1
 Correct: B
 Standards: SSEMI2.f

28 Use the following table to answer the question.

**United States Oil Consumption
 and Import Data (2000) in
 Millions of Barrels a Day**

U.S. Oil Consumption	19.7
U.S. Net Oil Imports	10.4

Which statement is supported by the data from this table?

- A. International organizations help regulate demand for oil in the United States.
- B. The U.S. supply of oil determines the levels of production.
- C. Events in other countries affect the supply of oil in the United States.
- D. The U.S. production of domestic oil keeps demand low.

Master ID: 197366 Revision: 1
 Correct: C
 Standards: SSEMI2.f

Directions: Answer the following question(s).

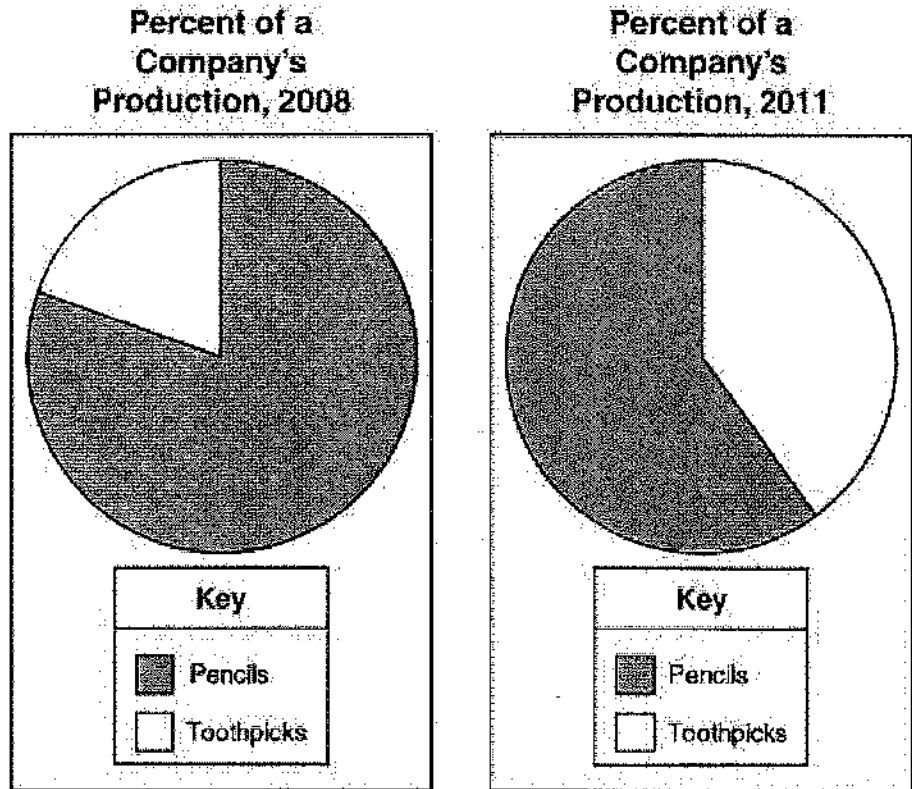
29 Which newspaper headline indicates a change in consumer tastes?

- A. Pizza Sales are Affected by Popular Diets
- B. Cheese Prices Increase Due to Rising Production Costs
- C. Pizza Franchises are Affected by Antitrust Legislation
- D. Beef Industry Weakened by Transportation Strike

Master ID: 165487 Revision: 1
Correct: A
Standards:
SSEMI2.f

Directions: Answer the following question(s).

30 According to the law of supply, what caused the change indicated in these graphs?



- A. The price of pencils increased between 2008 and 2011.
- B. Shipping rates increased between 2008 and 2011.
- C. The price of toothpicks increased between 2008 and 2011.
- D. Electricity costs increased between 2008 and 2011.

Master ID: 166158 Revision: 1
Correct: C
Standards: SSEMI2.f

Directions: Answer the following question(s).

31 What would be the MOST direct effect on trade if the U.S. government subsidized paper companies?

- A. The price for paper on the global market would increase.
- B. The demand for paper in the global market would increase.
- C. U.S. imports of paper would increase.
- D. U.S. production of paper would increase.

Master ID: 327964 Revision: 1
Correct: D
Standards:
SSEMI2.g

32 What is the MOST likely result of imposing a price ceiling on a particular product?

- A. Supply exceeds demand and results in a surplus.
- B. Sellers decide to produce more of that product.
- C. Demand exceeds supply and results in a shortage.
- D. Buyers lose interest in purchasing that product.

Master ID: 166162 Revision: 1
Correct: C
Standards:
SSEMI2.g

33 Which of the following BEST completes this diagram?

- A. price controls
- B. environmental regulations
- C. federal banks
- D. private monopolies

Master ID: 166033 Revision: 1
Correct: A
Standards:
SSEMI2.g

Directions: Answer the following question(s).

34 In the study of microeconomics, which action would an economist MOST likely perform?

- A. study a regional trade agreement between developing nations
- B. evaluate a national report regarding annual unemployment data
- C. analyze pricing strategies of local manufacturing companies
- D. review the effect of government payment on the marketplace

Master ID: 165472 Revision: 1
Correct: C
Standards:
SSEM12.g

35 Use the information below to answer the question.

☆ *Daily News* ☆

**City Council Meeting Tomorrow
— Rent Control Laws to Be Considered**

The council will consider a proposal to repeal the city's rent control laws, which limit apartment rental rates based on the income levels of tenants.

Which result will MOST likely occur for apartment building owners if the proposal is successful?

- A. greater ability to invest in new properties
- B. less flexibility in replacing apartment tenants
- C. greater demand for available apartments
- D. less difficulty in negotiating with new tenants

Master ID: 194590 Revision: 1
Correct: A
Standards:
SSEM12.g

Directions: Answer the following question(s).

36 Use the list below to answer the question.

_____ ?

- Self-employment potential
- Meet demands of local markets
- Gainful employment of local workers
- Less start-up capital needed

Which title BEST summarizes the list above?

- A. Benefits of Cottage Industries
- B. Effects of Industrialization on Small Businesses
- C. Assets of Commercial Industries
- D. Effects of Government Regulations on the Marketplace

Master ID:	166275	Revision:	1
Correct:	A		
Standards:	SSEMI3.a		

37 Which trend is BEST illustrated by these characteristics?

Characteristics of Multinational Corporations

- Offices and factories are located in more than one country
 - Operating costs and profits can be greater than those of small countries
- A. decreasing significance of territorial borders
 - B. increasing importance of national sovereignty
 - C. decline in economic interdependence
 - D. increase in foreign trade barriers

Master ID:	166153	Revision:	1
Correct:	A		
Standards:	SSEMI3.a		

Directions: Answer the following question(s).

38 Which describes an essential feature of publicly traded corporations?

- A. separation of ownership from control
- B. freedom from large debt burdens
- C. strict limits on fund-raising methods
- D. unlimited liability for shareholders

Master ID: 197486 Revision: 1
Correct: A
Standards:
SSEMI3.a

39 In a business partnership, what is the role of a limited partner?

- A. employee
- B. spokesperson
- C. manager
- D. investor

Master ID: 197485 Revision: 1
Correct: D
Standards:
SSEMI3.a

40 Use the list below to complete the sentence.

- Commodity market
- Foreign exchange market
- Money markets

Multinational corporations use the items on the list to

- A. limit competition.
- B. organize operations.
- C. raise investment capital.
- D. make hiring decisions.

Master ID: 194596 Revision: 1
Correct: C
Standards:
SSEMI3.a

Directions: Answer the following question(s).

41 Use the list below to answer the question.

Pure Competition

- Participants face no barriers in entering or exiting the market.
- Consumers and producers share in a free flow of information.
- _____ ?

Which characteristic completes this list?

- A. Firms use market share to set prices.
- B. Resources are allocated by the government through central planning.
- C. A single producer controls at least half of a particular market.
- D. Independent producers sell standardized products.

Master ID: 197449 Revision: 1
Correct: D
Standards:
SSEMI3.b

42 Which scenario is an example of a monopoly?

- A. A local water company is the sole provider of water for a small town.
- B. A farmer produces green beans for sale at a farmers' market.
- C. A small number of cereal companies produce most of the cereal on the market.
- D. A dry cleaner specializes in environmentally friendly cleaning methods.

Master ID: 197437 Revision: 1
Correct: A
Standards:
SSEMI3.b

Directions: Answer the following question(s).

43 Use the list below to answer the question.

- The market is dominated by a few large firms.
- Companies sell identical goods.
- Producers face high barriers to enter the industry.

Which type of market structure is described by this list?

- A. monopoly
- B. pure competition
- C. monopolistic competition
- D. oligopoly

Master ID: 197466 Revision: 1
Correct: D
Standards:
SSEMI3.b

44 Which business is an example of vertical integration?

- A. an oil company that purchases gas stations
- B. a clothing store that sells business attire and cologne
- C. a company that makes lightbulbs and heavy machinery
- D. an Internet provider that purchases a television network

Master ID: 165317 Revision: 1
Correct: A
Standards:
SSEMI3.b

45 Which set of characteristics describes an oligopoly market?

- A.
 - many sellers
 - no barriers to entry
 - identical products
- B.
 - many sellers
 - few barriers to entry
 - differentiated products
- C.
 - few sellers
 - many barriers to entry
 - similar products
- D.
 - one seller
 - impossible to enter the industry
 - unique product

Master ID: 197436 Revision: 1
Correct: C
Standards:
SSEMI3.b

Directions: Answer the following question(s).

1 What is the **MOST** likely result of adopting policies to achieve full employment?

- A. increase in inflation rates
- B. stabilization of interest rates
- C. decrease in job-training programs
- D. contraction of the money supply

Master ID: 197445 Revision: 1
Correct: A
Standards:
SSEMA1.a

2 Use the information to complete the sentence.

Changes in the Consumer Price Index (CPI) and Gross Domestic Product (GDP) are reported using constant baseline dollar figures to adjust for inflation and deflation.

The methods used to calculate the adjusted CPI and GDP determine the differences between

- A. fiscal and monetary policy.
- B. imports and exports.
- C. nominal and real data.
- D. goods and services.

Master ID: 166151 Revision: 1
Correct: C
Standards:
SSEMA1.c

Directions: Answer the following question(s).

- 3 Use the table below to answer the question.

Consumer Price Index (CPI)— All Urban Consumers, Percent Change	
2006	3.2
2007	2.8
2008	3.8
2009	-0.4
2010	1.6
2011	3.2

What is the **MOST** likely cause of the change in the CPI between 2008 and 2009?

- A. decrease in government regulation
- B. increase in economic activity
- C. increase in overall taxes
- D. decrease in inflation

Master ID: 197469 Revision: 1
Correct: D
Standards:
SSEMA1.c

- 4 Which economic indicator **BEST** shows that deflation is occurring?

- A. ceilings imposed on state budget amounts
- B. a decrease in interest rates due to home foreclosures
- C. regulations placed on private manufacturers
- D. a decline in prices due to the lack of consumer spending

Master ID: 165520 Revision: 1
Correct: D
Standards:
SSEMA1.c

Directions: Answer the following question(s).

5 Which term replaces the question mark?

Consumption + Investment + Government + Net Exports = _____ ?

- A. Disposable Personal Income
- B. Gross Domestic Product
- C. National Savings
- D. Transfer Payments

Master ID: 165481 Revision: 1
 Correct: B
 Standards:
 SSEMA1.c

6 Use the table below to answer the question.

**Nominal and Real
 Gross Domestic Product (GDP)
 (in billions of dollars)**

	Year 1	Year 2
Nominal GDP	\$100B	\$110B
Real GDP	\$100B	\$100B

Based on this information, which change occurred between Year 1 and Year 2?

- A. Inflation increased.
- B. Production decreased.
- C. Economic growth increased.
- D. Unemployment rates declined.

Master ID: 328003 Revision: 1
 Correct: A
 Standards:
 SSEMA1.c

Directions: Answer the following question(s).

7 How is the standard of living affected when inflation occurs rapidly?

- A. The standard of living declines because wages fail to keep up with rising prices.
- B. The standard of living improves because the value of the currency rapidly increases.
- C. The standard of living declines because the rising deficit results in higher tax rates.
- D. The standard of living improves because rising returns on investments increase wealth.

Master ID: 194652 Revision: 1
Correct: A
Standards:
SSEMA1.d

8 Inflation would benefit which group of people the most?

- A. people who have savings accounts
- B. people on fixed incomes
- C. people who are in debt
- D. people who have loaned money

Master ID: 165518 Revision: 1
Correct: C
Standards:
SSEMA1.d

9 Which type of unemployment is experienced by workers losing their jobs to a new technology?

- A. cyclical
- B. frictional
- C. seasonal
- D. structural

Master ID: 194388 Revision: 1
Correct: D
Standards:
SSEMA1.e

Directions: Answer the following question(s).

10 Which type of unemployment BEST replaces the question mark in the title?

Causes of _____?_____ Unemployment

- Permanent shifts in demand for goods and services
- Advances in technology

- A. Cyclical
- B. Frictional
- C. Seasonal
- D. Structural

Master ID: 165517 Revision: 1
Correct: D
Standards:
SSEMA1.e

11 Which term is defined as unemployment that occurs during a recession?

- A. classical
- B. cyclical
- C. frictional
- D. structural

Master ID: 327582 Revision: 1
Correct: B
Standards:
SSEMA1.e

Directions: Answer the following question(s).

12 Which term completes the list?

The Five Stages of _____ ?

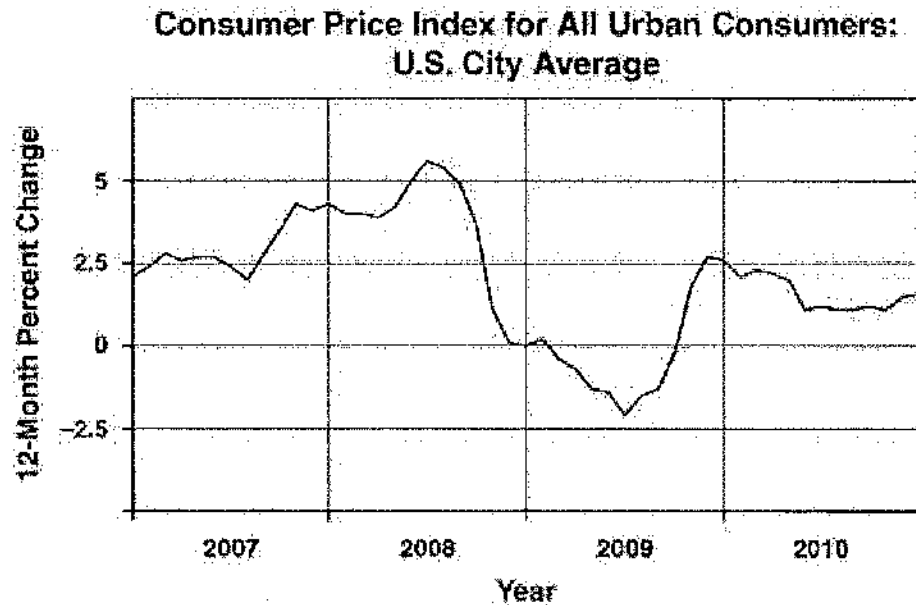
1. Growth
2. Peak
3. Recession
4. Trough
5. Recovery

- A. Economic Downturns
- B. the Annual Budget
- C. Fiscal Policy
- D. the Business Cycle

Master ID:	165513	Revision:	1
Correct:	D		
Standards:	SSEMA1.f		

Directions: Answer the following question(s).

- 13 Use the graph below to answer the question.



Which year shows a trough in the business cycle?

- A. 2007
- B. 2008
- C. 2009
- D. 2010

Master ID:	197453	Revision:	1
Correct:	C		
Standards:	SSEMA1.f		

- 14 How does a high unemployment rate sustained over a long period of time affect the economy?

- A. It causes an increase in the interest rates charged by the federal government.
- B. It leads to a decrease in the amount of currency circulating in the economy.
- C. It results in a growth of low-skill manufacturing opportunities in the economy.
- D. It contributes to a pattern of diversification in the financial markets.

Master ID:	194651	Revision:	1
Correct:	B		
Standards:	SSEMA1.f		

Directions: Answer the following question(s).

15 Use the list below to answer the question.

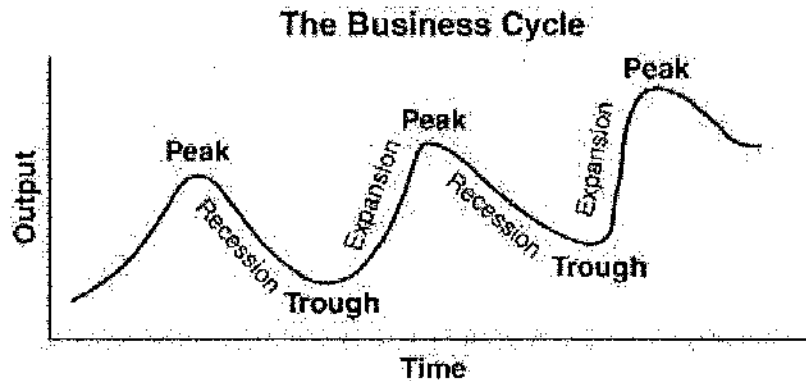
- The economy has contracted in three consecutive quarters.
- Annual Gross Domestic Product (GDP) fell 1.4% compared with the year before.
- Estimates report that the economy will continue to contract in the fourth quarter.

This scenario describes which part of the business cycle?

- A. peak
- B. recession
- C. trough
- D. expansion

Master ID:	197468	Revision:	1
Correct:	B		
Standards:	SSEMA1.f		

16 Use the graph below to answer the question.



Which stage of the business cycle has the highest inflation rate?

- A. Expansion
- B. Peak
- C. Recession
- D. Trough

Master ID:	328131	Revision:	1
Correct:	B		
Standards:	SSEMA1.f		

Directions: Answer the following question(s).

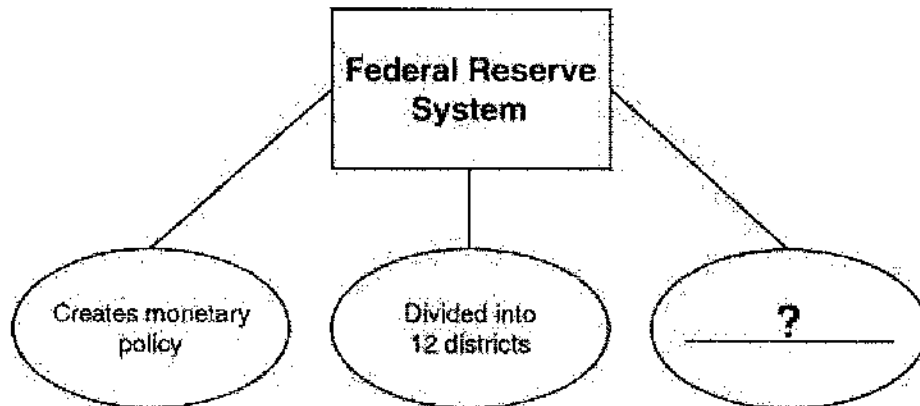
17 Prior to the development of Federal Reserve notes, it was common to deposit precious metals and receive a certificate showing the value of the deposit.

In which category does this type of money belong?

- A. fiat
- B. bank
- C. representative
- D. commodity

Master ID: 328135 Revision: 1
 Correct: C
 Standards: SSEMA2.a

18 Use the diagram below to answer the question.



Which characteristic BEST completes this diagram?

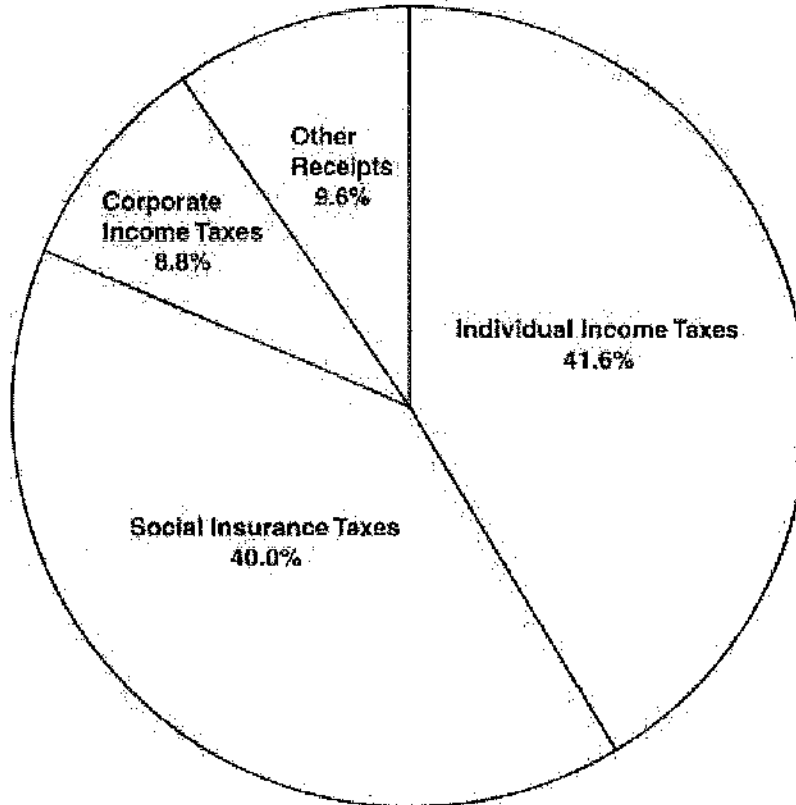
- A. Includes state and national member banks
- B. Owns large shares of the stock market
- C. Regulates national and state income taxes
- D. Implements tariffs against foreign nations

Master ID: 197451 Revision: 1
 Correct: A
 Standards: SSEMA2.b

Directions: Answer the following question(s).

- 19 This graph supports which conclusion about federal government revenue?

Federal Revenue Sources, 2010



- A. The greatest percentage of federal revenue comes directly from individual citizens.
- B. More than half of federal revenue is used to fund Social Insurance programs.
- C. The category of Other has more impact on federal revenues than taxation.
- D. Corporations account for more than half of federal revenues.

Master ID:	165617	Revision:	I
Correct:	A		
Standards:	SSEMA2.b		

Directions: Answer the following question(s).

20 Why was the Federal Reserve System established in 1913?

- A. to monitor the use of personal credit
- B. to promote the stability of banks
- C. to control investment in the stock market
- D. to regulate real estate speculation

Master ID: 165459 Revision: 1
Correct: B
Standards:
SSEMA2.b

21 Which goal will be achieved through a tight money policy?

- A. inflation is controlled
- B. the economy expands
- C. more small businesses open
- D. consumers have increased access to money

Master ID: 327581 Revision: 1
Correct: A
Standards:
SSEMA2.e

22 Which reason would cause the Federal Reserve to lower the reserve requirements?

- A. to prevent inflation
- B. to stabilize the discount rate
- C. to lower government expenditures
- D. to encourage banks to make more loans

Master ID: 197458 Revision: 1
Correct: D
Standards:
SSEMA2.e

Directions: Answer the following question(s).

- 23 Use the table below to answer the question.

Legislative Options for Unemployment Insurance

		Duration of Benefits	
		3 Months	6 Months
Amount of Benefits	60% of former salary	1	2
	80% of former salary	3	4

Which section of the table reflects the kind of unemployment insurance that is MOST likely to slow people's reentry into the labor market?

- A. 1
- B. 2
- C. 3
- D. 4

Master ID: 194908 Revision: 1
 Correct: D
 Standards: SSEMA2.e

- 24 If the Federal Reserve chooses to buy bonds, which additional action by the Federal Reserve would be consistent with this strategy?

- A. increasing the discount rate
- B. decreasing government spending
- C. increasing sales taxes
- D. decreasing the required reserve ratio

Master ID: 197463 Revision: 1
 Correct: A
 Standards: SSEMA2.e

Directions: Answer the following question(s).

25 One way the U.S. government could achieve full employment is to create government jobs. What would be a negative consequence of this action?

- A. greater inequality among income levels
- B. fewer opportunities for private business expansion
- C. increased instability in the domestic business cycle
- D. decreased financial security for families

Master ID: 328105 Revision: I
Correct: B
Standards:
SSEMA2.e

26 Use the information below to answer the question.

_____ ?

- Government Spending
- Taxation
- Public Transfer Payments

Which title BEST describes the information?

- A. Tools of Federal Fiscal Policy
- B. Tools of Federal Monetary Policy
- C. Measures of Domestic Investments
- D. Measures of Aggregate Expenditures

Master ID: 194390 Revision: 1
Correct: A
Standards:
SSEMA3.a

Directions: Answer the following question(s).

27 Use the excerpt below to answer the question.

FEDERAL RESERVE ACT

To provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

—Federal Deposit Insurance Corporation, accessed 2013

Which phrase **BEST** describes one purpose of this act?

- A. to help protect investors from speculation
- B. to collect government revenue from taxes
- C. to create a government budget to monitor spending
- D. to help regulate the amount of money in circulation

Master ID: 429961 Revision: 1
Correct: D
Standards:
SSEMA3.a

28 Which scenario **BEST** supports this excerpt?

In short, government is like a surgeon's scalpel. . . . In the wrong hands, or wielded overzealously with even the best of intentions, it can cause great harm.

—Charles Wheelan, *Naked Economics*, 2002

- A. fiscal policies being created to meet the demands of special interest groups
- B. increases in international trade that contribute to a stronger global economy
- C. large corporations gaining unfair financial advantages in the marketplace
- D. foreign leaders promoting increased competition to expand existing markets

Master ID: 166125 Revision: 1
Correct: A
Standards:
SSEMA3.a

Directions: Answer the following question(s).

29 Which of the following is the MAIN source of federal government revenue?

- A. local sales tax
- B. corporate income tax
- C. social security tax
- D. personal income tax

Master ID: 165522 Revision: 1
Correct: D
Standards:
SSEMA3.b

30 Which statement explains how an income tax increase would help to serve an economic policy goal?

- A. It would increase productivity by reducing inefficiency.
- B. It would promote employment by encouraging investment.
- C. It would slow price inflation by reducing demand.
- D. It would reduce price levels by encouraging competition.

Master ID: 194911 Revision: 1
Correct: C
Standards:
SSEMA3.b

31 Which statement is an example of a cost for a government policy to achieve full employment?

- A. The rate of inflation will increase.
- B. Wages for workers will decrease.
- C. Innovation in production will decrease.
- D. The value of government bonds will increase.

Master ID: 328128 Revision: 1
Correct: A
Standards:
SSEMA3.b

Directions: Answer the following question(s).

32 Use the information below to answer the question.

A governor presents a fiscal plan to stimulate production throughout the state.

Which measure will **BEST** achieve the goal of the governor?

- A. reducing tax rates
- B. increasing interest rates
- C. reducing government spending rates
- D. increasing government borrowing rates

Master ID: 194613 Revision: 1
Correct: A
Standards:
SSEMA3.b

33 Which statement about taxes is **MOST** accurate?

- A. Sales taxes are a type of regressive tax.
- B. Federal income taxes are an example of a proportional tax.
- C. Progressive income taxes are designed to benefit the wealthy.
- D. User fees charged by the government are a type of progressive tax.

Master ID: 165523 Revision: 1
Correct: A
Standards:
SSEMA3.b

Directions: Answer the following question(s).

1 Use the list below to answer the question.

	Chocolate Bars Produced per Hour	Reams of Paper Produced per Hour
Country 1	50 bars / \$100 profit	10 reams / \$50 profit
Country 2	50 bars / \$30 profit	10 reams / \$70 profit

What is one possible result of this situation?

- A. Country 1 will eliminate trade deficits.
- B. Country 2 will have a comparative advantage in paper production.
- C. Country 2 will have an absolute advantage in chocolate production.
- D. Country 1 will use fewer resources.

Master ID: 328122 Revision: 1
 Correct: B
 Standards: SSEIN1.a

2 Which action should a country take to gain a comparative advantage?

- A. become the sole producer of a good for the global market
- B. begin trading with countries that have lower opportunity costs
- C. focus on becoming self-sufficient in order to reduce trade deficits
- D. focus on goods that can be most efficiently produced in order to increase trade

Master ID: 328123 Revision: 1
 Correct: D
 Standards: SSEIN1.a

Directions: Answer the following question(s).

3 Use the table below to answer the question.

	Milk Produced in One Year (pounds)	Corn Harvested in One Year (thousand metric tons)
Country 1	14 billion	236,000
Country 2	77 billion	7000

How could both Country 1 and Country 2 gain comparative advantages?

- A. by expanding production of both types of goods for larger markets
- B. by developing alternative methods for less efficiently produced goods
- C. by increasing trade with each other and specializing in efficiently produced goods
- D. by expanding production of both types of goods and competing with each other

Master ID: 328121 Revision: 1
 Correct: C
 Standards:
 SSEIN1.a

4 Which action would be BEST for a country seeking a comparative advantage in global trade?

- A. buy from countries that specialize in needed products
- B. develop new technologies to make production more efficient
- C. join economic unions with a single currency and reduced tariffs
- D. make products with the highest opportunity costs

Master ID: 197432 Revision: 1
 Correct: B
 Standards:
 SSEIN1.a

Directions: Answer the following question(s).

- 5 Use the table below to answer the question.

Country 1	Country 2
Produces 10 pounds of coffee in 4 hours	Produces 5 pounds of coffee in 4 hours
Produces 5 pounds of sugar in 4 hours	Produces 10 pounds of sugar in 4 hours

Which statement is BEST supported by this table?

- A. Country 2 has the comparative advantage in coffee production.
- B. Country 2 would benefit most from specializing in coffee production.
- C. Country 1 has the absolute advantage in coffee production.
- D. Country 1 would benefit most from specializing in sugar production.

Master ID: 197430 Revision: 1
 Correct: C
 Standards: SSEIN1.a

- 6 Use the table below to answer the question.

	COMPUTERS that can be produced in 1 day	CARS that can be produced in 1 day
Country X	50	5
Country Y	20	1

If Country X specializes in computers and Country Y specializes in cars, what will MOST likely happen over the course of a year?

- A. Total combined output will increase.
- B. Total combined output will decrease.
- C. Output for Country X will stay the same, but output for Country Y will increase.
- D. Output for Country Y will stay the same, but output for Country X will decrease.

Master ID: 1973824 Revision: 1
 Correct: A
 Standards: SSEIN1.b

Directions: Answer the following question(s).

- 7 Use the table below to answer the question.

U.S. Trade with China
(approximate value in millions of dollars)

Year	Exports	Imports
1990	5	15
1995	12	46
2000	16	100
2005	41	243
2010	92	365

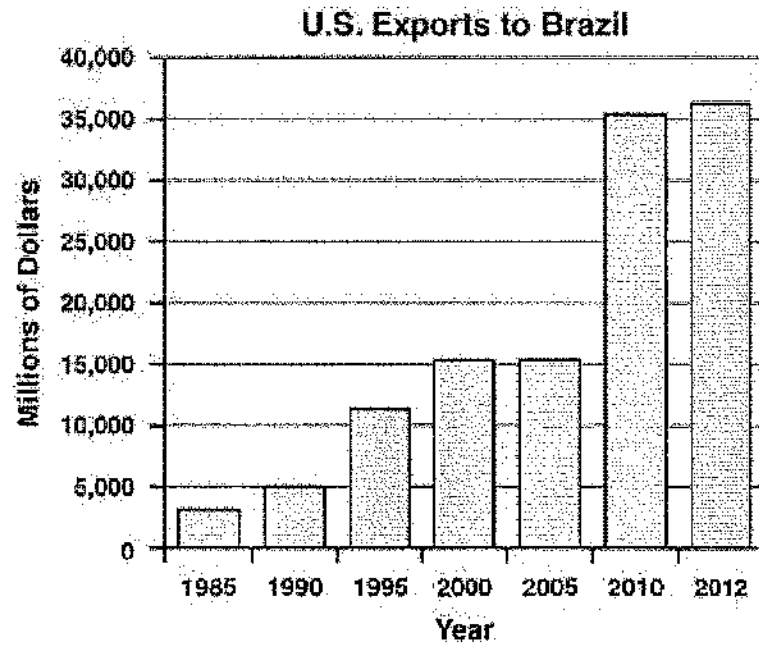
Which conclusion is BEST supported by the information in the table?

- A. Growing globalization has led to increased interdependence between nations.
- B. Widespread industrialization has led to increased self-sufficiency and isolationism.
- C. Ongoing conflicts between the United States and China has slowed the flow of goods and services between the two countries.
- D. Environmental concerns in both the United States and China has resulted in the decreased production of manufactured goods.

Master ID: 1973827 Revision: 1
Correct: A
Standards:
SSEIN1.b

Directions: Answer the following question(s).

- 8 Use the graph below to answer the question.



Source: U.S. Census Bureau

This graph shows recent trends in U.S. exports to the South American country of Brazil. Which trend is supported by this graph?

- A. The United States is focusing on building trade with North American countries.
- B. Brazil will be receiving more U.S. exports as part of a free trade agreement.
- C. Trade with the United States is increasingly important to Brazil's economy.
- D. Brazil's economy is remaining dependent on other South American countries.

Master ID:	327963	Revision:	1
Correct:	C		
Standards:	SSEIN1.b		

Directions: Answer the following question(s).

- 9 Use the table below to answer the question.

U.S. Exports and Imports by Region, 2014
(in Billions of Dollars)

Region	Exports	Imports
Africa	38	35
South Asia	25	57
East Asia	74	103
Europe	335	491
North America	552	640

What characteristic of globalization is BEST illustrated by the information in the table?

- A. economic interdependence
- B. isolationist policies
- C. cultural conflicts
- D. trade barriers

Master ID: 1973829 Revision: 1
Correct: A
Standards:
SSEIN1.b

Directions: Answer the following question(s).

- 10 Use the table below to answer the question.

U.S. Exports and Imports
(approximate value in millions of dollars)

Year	Exports	Imports
1960	30	22
1970	57	54
1980	272	291
1990	535	616
2000	1,075	1,448
2010	1,854	2,348

Which BEST explains the changes illustrated in the table?

- A. increased globalization
- B. decreased specialization
- C. increased isolationism
- D. decreased capitalism

Master ID: 1973826 Revision: 1
 Correct: A
 Standards:
 SSEIN1.b

- 11 Which term is defined as the difference between the value of a nation's imports and the value of its exports?

- A. balance of trade
- B. per capita income
- C. consumer price index
- D. gross domestic product

Master ID: 327583 Revision: 1
 Correct: A
 Standards:
 SSEIN1.c

Directions: Answer the following question(s).

12 Which term is defined as a tax on imported goods?

- A. embargo
- B. quota
- C. subsidy
- D. tariff

Master ID: 327578 Revision: 1
 Correct: D
 Standards: SSEIN2.a

13 Use the information and chart to answer the question.

Two companies sell apples in the United States. One company is based in the United States and the other is based in Mexico. Each company needs to earn a profit of \$0.35 per pound of apples sold.

	Apples from the United States	Apples from Mexico
Production Costs	\$0.45 per pound	\$0.45 per pound
Tariff	none	\$0.20 per pound
Profit per Pound	\$0.35 per pound	\$0.35 per pound
Price per Pound	\$0.80 per pound	\$1.00 per pound

How will the tariff MOST likely impact consumer spending?

- A. Consumers will boycott apples.
- B. Consumers will buy fewer apples.
- C. Consumers will buy apples from Mexico.
- D. Consumers will buy apples from the United States.

Master ID: 327606 Revision: 1
 Correct: D
 Standards: SSEIN2.a

Directions: Answer the following question(s).

14 Use the information below to answer the question.

Bargaining-Chip Theory: Governments use tariffs and subsidies as bargaining chips when negotiating trade agreements with other countries

Which of the following actions is an application of the Bargaining-Chip Theory?

- A. Japan subsidizes auto production plants in the United States.
- B. The European Union adjusts interest rates to control inflation.
- C. Canada becomes a partner in the North American Free Trade Agreement.
- D. The United States reduces trade barriers in exchange for opening markets overseas.

Master ID: 430258 Revision: 1
Correct: D
Standards:
SSEIN2.a

15 During periods of extremely high crop yields, the U. S. government pays farmers to withhold their products from the market. What is the purpose of this economic subsidy?

- A. to keep food prices more stable
- B. to make farmers use crops for animal feed
- C. to encourage farmers to consider other careers
- D. to allow market forces to improve the cost of living

Master ID: 197422 Revision: 1
Correct: A
Standards:
SSEIN2.a

16 What is the MOST likely effect of a U.S. import quota on foreign cars?

- A. The price of domestic cars would decrease because of improved production methods.
- B. Foreign automobile manufacturers would be allowed to sell more cars in the United States.
- C. Domestic automobile manufacturers would sell more cars in markets in the United States.
- D. The price of cars would increase in foreign countries because of the trade restrictions.

Master ID: 197497 Revision: 1
Correct: C
Standards:
SSEIN2.b

Directions: Answer the following question(s).

17 Use the information in the list to answer the question.

- American steel companies are forced to compete with cheaper foreign steel imports
- Government imposes tariff of 30% on imported steel

Which group would be negatively impacted by the scenario presented above?

- A. domestic steel industry employees
- B. manufacturers who import steel
- C. those opposing the spread of multi-national corporations
- D. those arguing against trade alliances with third world countries

Master ID: 430263 Revision: 1
Correct: B
Standards:
SSEIN2.b

18 Use the information in the list to answer the question.

Smoot Hawley Tariff

- Raised tariff rates on thousands of items
- Enacted into law in June 1930
- U.S. imports from Europe declined by \$944 million between 1929 and 1932
- U.S. exports to Europe declined by \$1557 million between 1929 and 1932

Which statement BEST reflects a reason for supporting protectionist policies such as the Smoot Hawley Tariff in 1930?

- A. The use of tariffs helps to increase domestic sales of foreign-produced goods.
- B. The use of tariffs helps to stimulate international trade worldwide.
- C. Tariffs can minimize foreign competition for struggling domestic industries.
- D. Tariffs generally open up new markets for U.S.-produced goods.

Master ID: 430261 Revision: 1
Correct: C
Standards:
SSEIN2.b

Directions: Answer the following question(s).

19 Use the information below to answer the question.

- Domestic industry has to compete against cheaper products from foreign producers
- Domestic industry collapses
- Nation becomes dependent on imported goods

Which group would **MOST** likely use the information above to promote greater protection for domestic industries?

- A. multi-national corporations
- B. union workers
- C. environmental protection groups
- D. international banks

Master ID: 430259 Revision: 1
Correct: B
Standards:
SSEIN2.b

20 What would be the effect of the United States establishing tariffs on solar energy products from China?

- A. Chinese consumers would purchase more U.S. solar products.
- B. U.S. consumers would pay more for Chinese solar products.
- C. Chinese solar manufacturers would lower domestic prices.
- D. U.S. solar manufacturers would slow production.

Master ID: 197495 Revision: 1
Correct: B
Standards:
SSEIN2.b

21 A major factor that encouraged member states to form the European Union was the

- A. threat of external military forces.
- B. mutual advantage of economic integration.
- C. need to protect human rights.
- D. popular demand for unified social institutions.

Master ID: 430288 Revision: 1
Correct: B
Standards:
SSEIN2.c

Directions: Answer the following question(s).

22 What was one purpose of the North American Free Trade Agreement (NAFTA)?

- A. the elimination of trade barriers in former communist countries
- B. the reduction of tariffs on goods traded between adjoining countries
- C. the creation of a single currency for a number of countries
- D. the improvement of financial infrastructures in developing countries

Master ID: 165528 Revision: 1
Correct: B
Standards:
SSEIN2.c

23 NAFTA is an agreement among the U.S., Canada, and Mexico primarily intended to promote

- A. environmental protection.
- B. military defense.
- C. human rights.
- D. free trade.

Master ID: 165575 Revision: 1
Correct: D
Standards:
SSEIN2.c

24 Which statement BEST describes an immediate result of the Organization of Petroleum Exporting Countries (OPEC) selling oil above market value?

- A. The United States would increase research for alternative fuels.
- B. Oil prices in the United States would rise.
- C. The United States would halt the sale of fuel to China.
- D. Oil production in the United States would rise.

Master ID: 197471 Revision: 1
Correct: B
Standards:
SSEIN2.c

Directions: Answer the following question(s).

25 Which statement expresses an argument favoring the United States signing the North American Free Trade Agreement (NAFTA)?

- A. Domestic businesses will be encouraged to relocate abroad.
- B. Large corporations will have more control of employee rights.
- C. Elimination of tariffs will increase commercial exchanges.
- D. Enforcement of environmental regulations will be minimized.

Master ID: 165403 Revision: 1
 Correct: C
 Standards: SSEIN2.c

26 Use the table below to answer the question.

Country A	Country B	Country C
Cotton producer	Textile exporter	Textile consumer

How would a free trade agreement between Country A and Country B affect Country C?

- A. Textile manufacturers in Country C would have to pay increased taxes on cotton.
- B. Cotton producers in Country C would benefit from the increased price of cotton.
- C. Importers in Country C would find it difficult to obtain adequate supplies of clothing.
- D. Buyers in Country C would benefit from the decrease in the price of clothing.

Master ID: 197474 Revision: 1
 Correct: D
 Standards: SSEIN2.d

Directions: Answer the following question(s).

27 Use the excerpt below to answer the question.

... [S]ince the passage of the CAFTA-DR [Dominican Republic-Central America-United States Free Trade Agreement] ... [t]he Business Development Mission to Central America and the Dominican Republic will assist U.S. businesses to initiate or expand their exports and investment opportunities to ... leading industry sectors by making business-to-business introductions, providing first-hand market access information, and providing access to government decision makers.

— "CAFTA-DR Mission Goals," Export.gov, 2008

Based on this excerpt, which reason would make participation in this free trade agreement attractive to member countries?

- A. Exporting raw materials will lower prices.
- B. Multinational collaboration will protect intellectual property.
- C. Expanding entry into markets will promote entrepreneurship.
- D. Encouraging visas will draw workers from other nations.

Master ID:	327960	Revision:	1
Correct:	C		
Standards:	SSEIN2.d		

28 Use the list below to answer the question.

- Under the North American Free Trade Agreement (NAFTA), the United States has become Mexico's largest trading partner.
- In 2009, there was a decline in consumption by the United States.
- That year, Mexican auto exports fell more than 50%, and production fell almost 45%, when compared to the previous year.

Based on this information, what is a weakness of free trade agreements?

- A. Free trade agreements can lead to currency devaluation in both countries.
- B. Economic downturns can affect both countries involved in a free trade agreement.
- C. Free trade agreements can make small business loans more difficult to obtain in both countries.
- D. Prices for domestic products can be higher in both countries under free trade agreements.

Master ID:	327959	Revision:	1
Correct:	B		
Standards:	SSEIN2.d		

Directions: Answer the following question(s).

29 What is one advantage of establishing trade barriers rather than allowing free trade?

- A. an increase in local regulations
- B. the improvement of foreign relations
- C. the protection of domestic industries
- D. a reduction in foreign product prices

Master ID: 197473 Revision: 1
Correct: C
Standards:
SSEIN2.d

30 Use the information below to answer the question.

The North American Free Trade Agreement (NAFTA) established a free-trade zone in North America . . . and took effect on Jan. 1, 1994. . . . Among its main objectives is the liberalization of trade between Canada, Mexico and the United States in order to stimulate economic growth and give the NAFTA countries equal access to each other's markets.

—"Free Trade Agreements," U.S. Customs and Border Protections, 2013

Based on this information, why would member countries benefit from this agreement?

- A. It would establish a common currency.
- B. It would implement common vocational standards.
- C. It would establish a unified military force.
- D. It would lower prices for consumers.

Master ID: 327950 Revision: 1
Correct: D
Standards:
SSEIN2.d

31 How are the daily exchange rates of national currencies determined?

- A. They are established by the International Monetary Fund.
- B. They fluctuate according to changes in the financial markets.
- C. They are based on the amount of gold held by governments.
- D. They are approved by World Trade Organization officials.

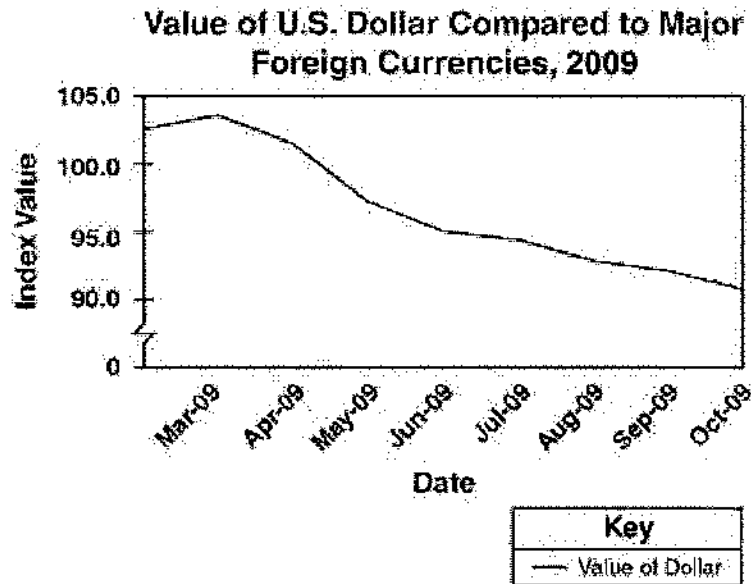
Master ID: 166154 Revision: 1
Correct: B
Standards:
SSEIN3.a

Directions: Answer the following question(s).

- 32 If it costs \$1.40 in American money to purchase one British pound, how many American dollars will you get for ten (10) British pounds?
- A. \$0.14
 - B. \$1.40
 - C. \$14.00
 - D. \$140.00

Master ID: 194292 Revision: 1
 Correct: C
 Standards: SSEIN3.a

- 33 Use the graph below to answer the question.



Source: U.S. Federal Reserve

Which result was produced by the downward trend shown in the graph?

- A. Production of goods declined, while market demand increased.
- B. Consumer spending rose, while services declined.
- C. Government spending was reduced, while private investments grew.
- D. Import prices increased, while export prices declined.

Master ID: 197407 Revision: 1
 Correct: D
 Standards: SSEIN3.a

Directions: Answer the following question(s).

34 When interest rates in the United States increase relative to interest rates in the rest of the world, which economic indicator is MOST likely to rise?

- A. the domestic money supply
- B. commodity futures sales
- C. real wages of domestic workers
- D. the international value of the dollar

Master ID: 328007 Revision: 1
 Correct: D
 Standards: SSEIN3.b

35 Use the table below to complete the sentence.

Exchange Rate, 2009

U.S. Dollar	Euro
\$1.00	€0.719

The rate in this table was determined by

- A. business leaders.
- B. elected officials.
- C. market forces.
- D. global organizations.

Master ID: 194659 Revision: 1
 Correct: C
 Standards: SSEIN3.c

Directions: Answer the following question(s).

36 Use the list below to answer the question.

Imports and Exports Scenarios

- The United States imports more goods from Mexico than the United States exports to Mexico.
- Mexico exports more goods to Canada than Mexico imports from Canada.
- Canada imports more goods from Great Britain than Canada exports to Great Britain.
- Great Britain imports more goods from Mexico than Great Britain exports to Mexico.

Which statement about currency and exchange rates is BEST supported by this list?

- A. The U.S. dollar has a higher value than the Mexican peso.
- B. The Mexican peso has a lower value than the Canadian dollar.
- C. The Canadian dollar has a higher value than the British pound.
- D. The Mexican peso has a lower value than the British pound.

Master ID:	328103	Revision:	1
Correct:	A		
Standards:	SSEIN3.c		

37 Due to domestic inflation in Argentina, the Argentinian peso has become weaker against the currencies of Argentina's trading partners.

How will this situation affect the cost of products that Argentina imports and exports?

- A. Both imports and exports will increase.
- B. Both imports and exports will decrease.
- C. Imports will increase and exports will decrease.
- D. Imports will decrease and exports will increase.

Master ID:	328111	Revision:	1
Correct:	D		
Standards:	SSEIN3.c		

Directions: Answer the following question(s).

38 In 2012, the value of the British pound dropped 30 percent against the U.S. dollar. Which group would welcome a devalued pound?

- A. British investors because they would have more local opportunities
- B. British homeowners because their debt would be reduced
- C. British consumers because they would pay lower prices
- D. British exporters because their goods would be sold more cheaply abroad

Master ID: 328112 Revision: 1
Correct: D
Standards:
SSEIN3.c

39 What would be one consequence of a prolonged decline in the value of the euro relative to the U.S. dollar?

- A. European exports to the United States would become less expensive.
- B. U.S. exports to Europe would become cheaper.
- C. European imports from the United States would increase.
- D. U.S. imports from Europe would become more expensive.

Master ID: 327945 Revision: 1
Correct: A
Standards:
SSEIN3.c

Directions: Answer the following question(s).

1 What is the benefit to buying a home instead of renting one?

- A. Homeowners pay less in property taxes.
- B. Homeowners have less home maintenance costs.
- C. Homeowners accumulate value in their homes.
- D. Homeowners generally have lower monthly payments on their homes.

Master ID: 522492 Revision: 1
Correct: C
Standards:
SSEPF1.a

2 When someone chooses criteria for post secondary educational life choices and evaluates those options using a weighted system, he or she used which of the following:

- A. a hour glass model
- B. a rational decision model
- C. a filter model
- D. a shotgun model

Master ID: 2780919 Revision: 1
Correct: B
Standards:
SSEPF1.a

3 What is a benefit to renting a home instead of buying one?

- A. Renters generally have larger monthly payments.
- B. Renters accumulate home value.
- C. Renters pay more in property taxes.
- D. Renters have less maintenance costs.

Master ID: 522493 Revision: 1
Correct: D
Standards:
SSEPF1.a

Directions: Answer the following question(s).

- 4 Use the chart below to answer the question.

Employer-Sponsored Retirement Plans	
Traditional 401(k) Plans	Roth 401(k) Plans
Employee contributions to the plan are tax-deferred. Any earnings from the investments are tax-deferred. You pay taxes on the contributions and the earnings when savings are withdrawn.	Employee contributions to the plan are <i>not</i> tax-deferred. Income earned on the account (from interest, dividends, or capital gains) is tax-free.

Why would Tyler choose a traditional 401(k) plan over a Roth 401(k) plan?

- A. She wants a tax break this year.
- B. She wants a tax break after she retires.
- C. She wants to reduce her risk of investment.
- D. She wants to increase her potential rates of return.

Master ID: 1907236 Revision: 1
Correct: A
Standards:
SSEPF1.b

Directions: Answer the following question(s).

5 Use the chart below to answer the question.

Employer-Sponsored Retirement Plans	
Defined Benefit Plans (such as Pension Plans)	Defined Contribution Plans (such as 401(k) Plans)
Employers promise employees a specific monthly benefit at retirement. The benefit may be a fixed dollar amount or may depend on a plan formula that considers factors like salary and years of service.	Employees and/or employers contribute money to the account. Upon retirement, employees receive the balance of the account, which depends on contributions plus or minus investment gains or losses.

How is a defined contribution plan different from a defined benefit plan?

- A. The employee assumes more investment risk in a defined contribution plan.
- B. The employee is guaranteed a minimum retirement income in defined contribution plan.
- C. The employee has less control over investment decisions in a defined contribution plan.
- D. The employee must work at the company longer before retiring in a defined contribution plan.

Master ID:	1907239	Revision:	1
Correct:	A		
Standards:	SSEPF1.b		

Directions: Answer the following question(s).

- 6 Use the budget below to answer the question.

Anthony's Monthly Budget		
Monthly Gross Income	\$2,395.21	
Taxes	\$395.21	
Monthly Net Income	\$2,000.00	
	Budget	Actual
Fixed Expenses		
Savings for Retirement	\$200.00	\$200.00
Rent	\$800.00	\$800.00
Car Payment	\$220.00	\$220.00
Car Insurance	\$85.00	\$85.00
Cell Phone	\$95.00	\$95.00
Total Fixed Expenses	\$1,400.00	\$1,400.00
Variable Expenses		
Food	\$275.00	\$275.00
Clothing	\$125.00	\$120.00
Entertainment	\$100.00	\$210.00
Charitable Giving	\$100.00	\$100.00
Total Variable Expenses	\$600.00	\$705.00
Total Expenses	\$2,000.00	\$2,105.00

How much disposable income does Anthony have?

- A. \$600.00
- B. \$1,400.00
- C. \$2,000.00
- D. \$2,395.21

Master ID:	522501	Revision:	1
Correct:	C		
Standards:	SSEPF1.b		

Directions: Answer the following question(s).

7 Use the passage below to answer the question.

If you saved \$5 a week at 8% interest starting from the time you were 18 years old, then your savings would total \$134,000 by the time you turned 65. If you wait until you are 40 years old, you'll have to save \$32 a week to have \$134,000 at age 65. Even waiting just one year, until you're 19 years old, to start saving \$5 a week at 8% interest will cost you more than \$10,000 by the time you're 65.

—Information from the U.S. Securities and Exchange Commission website

Which advice is BEST supported by this passage?

- A. Find the lowest interest rates possible.
- B. Make the riskiest investments possible.
- C. Put off your retirement for as long as possible.
- D. Start investing your money as soon as possible.

Master ID: 1907241 Revision: 1
 Correct: D
 Standards: SSEPF1.b

8 Use the chart below to answer the question.

Employer-Sponsored Retirement Plans	
Defined Benefit Plans (such as Pension Plans)	Defined Contribution Plans (such as 401(k) Plans)
Employers promise employees a specific monthly benefit at retirement. The benefit may be a fixed dollar amount or may depend on a plan formula that considers factors like salary and years of service.	Employees and/or employers contribute money to the account. Upon retirement, employees receive the balance of the account, which depends on contributions plus or minus investment gains or losses.

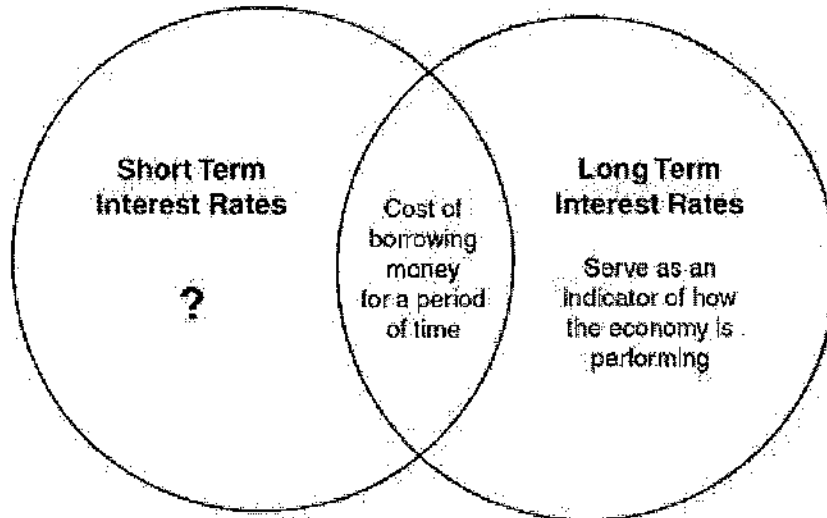
Why would an employee prefer a defined benefit plan over a defined contribution plan?

- A. If stock market prices increase, the employee receives more retirement income.
- B. If stock market prices decrease, the employee receives the same amount of retirement income.
- C. If the employee invests more money in the plan, his retirement income will increase.
- D. If the employee leaves the company early, his retirement income will stay the same.

Master ID: 1907238 Revision: 1
 Correct: B
 Standards: SSEPF1.b

Directions: Answer the following question(s).

9 Use the diagram below to answer the question.



Which characteristic **BEST** completes this diagram?

- A. Lead to an increase in the money supply
- B. Remain unaffected by changes in the economy
- C. Require government regulation to protect consumers
- D. Influence economic growth by affecting businesses

Master ID:	327988	Revision:	1
Correct:	D		
Standards:	SSEPF2.a		

10 Which company will give out small loans in return for a portion of the upcoming paycheck

- A. Title Pawn Lender
- B. Payday Loan Company
- C. Credit Union
- D. Bank

Master ID:	2780786	Revision:	1
Correct:	B		
Standards:	SSEPF2.a		

Directions: Answer the following question(s).

11 Use the information to answer the question.

Interest rates represent the amount a borrower must pay for the use of money from a lender. Short-term interest rates are frequently associated with loans of less than one year in duration; long-term interest rates are frequently used with loans of ten years or more.

Which type of borrower would **MOST** likely be interested in long-term interest rates?

- A. an individual wanting to rent an apartment
- B. a person seeking a mortgage for a first home
- C. a consumer using a credit card to buy furniture
- D. a proprietor opening a savings account with a bank

Master ID: 166164 Revision: 1
Correct: B
Standards:
SSEPF2.a

12 Blue Financial is a financial institution owned by its members. It offers lower loan rates and easier application processes for its members. Based **SOLELY** on this information, Blue Financial is **MOST LIKELY** a

- A. credit union.
- B. commercial bank
- C. savings and loan.
- D. credit card agency.

Master ID: 2780560 Revision: 1
Correct: A
Standards:
SSEPF2.a

Directions: Answer the following question(s).

- 13 Use the table below to answer the question.

ABC Bank

Mortgage	2012 Fixed Interest Rates
15 yr.	3%
30 yr.	4%

What is the MAIN reason there is such a difference in these interest rates?

- A. Lenders face greater risk on long-term loans.
- B. Consumers are less influenced by short-term returns.
- C. Lenders face greater competition for short-term loans.
- D. Consumers are more hesitant to make long-term investments.

Master ID: 194656 Revision: 1
Correct: A
Standards:
SSEPF2.a

- 14 Sam wants to start a new business. He needs money to buy supplies. He asks the bank for a loan for the supplies.

Why does the bank give Sam a loan?

- A. The bank owns Sam's supplies.
- B. The bank earns money on Sam's loan.
- C. The bank keeps Sam's money safe in a vault.
- D. The bank gains a new customer for a checking account.

Master ID: 327624 Revision: 1
Correct: B
Standards:
SSEPF2.b

Directions: Answer the following question(s).

- 15 Use the information below to answer the question.

BANK XYZ

*The time to buy that new house is now.
Find an interest rate that works for you.*

10 years 2.25%

15 years 4%

20 years 7.50%

30 years 10%

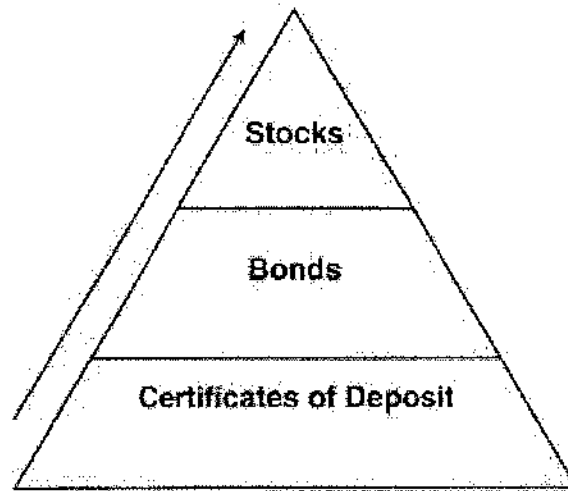
Which statement **BEST** explains why these interest rates are different?

- A. The value of a home increases over time.
- B. Lenders expect real interest rates to fall in the future.
- C. The interest rates charged by banks are determined by unemployment rates.
- D. Banks experience greater risks of borrowers defaulting on long-term loans.

Master ID: 328004 Revision: 1
Correct: D
Standards:
SSEPF2.c

Directions: Answer the following question(s).

16 Use the chart below to answer the question.



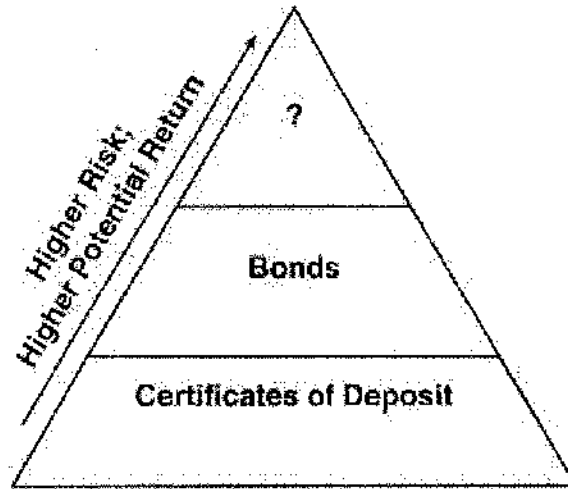
What happens as the pyramid is ascended?

- A. Risk increases and potential returns increase.
- B. Risk increases and potential returns decrease.
- C. Risk decreases and potential returns decrease.
- D. Risk decreases and potential returns increase.

Master ID:	1907227	Revision:	1
Correct:	A		
Standards:	SSEPF2.c		

Directions: Answer the following question(s).

17 Use the chart below to answer the question.



Which of these would BEST replace the question mark at the top of the chart?

- A. Cash
- B. Stocks
- C. Savings Accounts
- D. Money Market Accounts

Master ID:	1907232	Revision:	1
Correct:	B		
Standards:	SSEPF2.c		

Directions: Answer the following question(s).

18 Use the passage below to answer the question.

Suppose you invested \$10,000 in a mutual fund that had a 10% annual return before expenses and annual operating expenses of 1.5%. After 20 years you would have about \$49,725. But if the investment had expenses of 0.5%, you would end up with \$60,858—an 18% difference.

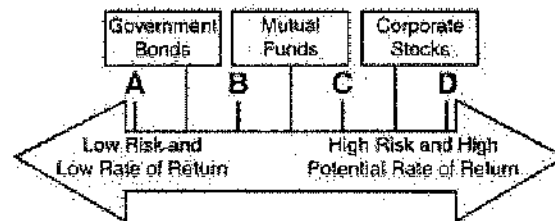
—Information from the U.S. Securities and Exchange Commission website

Which statement is BEST supported by the passage?

- A. Fees have a significant effect on return over time.
- B. Shorter investments are better than longer investments.
- C. Pre-tax investments make more money than post-tax investments.
- D. Interest that compounds annually is better than interest that compounds daily.

Master ID: 1907242 Revision: 1
 Correct: A
 Standards: SSEPF2.d

19 Use the spectrum below to answer the question.



Which letter on the spectrum shows where "Certificates of Deposit" BEST fits?

- A. A
- B. B
- C. C
- D. D

Master ID: 1907231 Revision: 1
 Correct: A
 Standards: SSEPF2.d

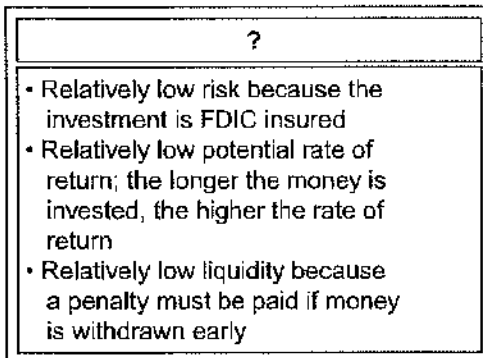
Directions: Answer the following question(s).

20 A person that wishes to invest and is looking for the LEAST risk possible should choose which option?

- A. stocks
- B. bonds
- C. mutual funds
- D. progressive taxes

Master ID: 2780352 Revision: 1
Correct: C
Standards:
SSEPF2.d

21 Use the chart below to answer the question.



What is the BEST title for this chart?

- A. Stocks
- B. Mutual Funds
- C. Corporate Bonds
- D. Certificates of Deposit

Master ID: 1907223 Revision: 1
Correct: D
Standards:
SSEPF2.d

Directions: Answer the following question(s).

- 22 Shondelle has a large sum of money to invest. She is *not concerned with a large return*, but is *very sensitive to risk*. Which would be the best investment for her?
- A. real estate
 - B. stock market
 - C. savings account
 - D. checking account

Master ID: 2780383 Revision: 1
Correct: C
Standards:
SSEPF2.d

- 23 Paying \$1,000 tax on \$10,000 of taxable income, \$4,000 on \$20,000 of taxable income, and \$20,000 on \$60,000 of taxable income is an example of a tax system that is
- A. proportional
 - B. regressive
 - C. progressive
 - D. average

Master ID: 2776869 Revision: 1
Correct: C
Standards:
SSEPF3.a

- 24 In country A, everyone pays a 10% income tax. This type of tax system is known as
- A. regressive
 - B. progressive
 - C. proportional
 - D. sales

Master ID: 2780365 Revision: 1
Correct: C
Standards:
SSEPF3.a

Directions: Answer the following question(s).

25 Which of these is the best example of debt?

- A. A person buys a new car
- B. A person pays interest on a mortgage.
- C. A person deposits a paycheck into a savings account.
- D. A person withdraws money from a bank account using an ATM card.

Master ID: 2821174 Revision: 1
Correct: A
Standards:
SSEPF4.a

26 Use the advertisement below to answer the question.

**Special Offer—
Get a debit card today!**

- Free with your checking account
- No hidden fees
- Use at hundreds of locations

What is one disadvantage of the type of service offered in this advertisement?

- A. Credit ratings may be damaged by a debit card from directly accessing an account.
- B. A debit card lacks the protection of spending limits.
- C. Direct account access by a debit card makes resources more vulnerable to theft.
- D. A debit card balance is subject to high interest rates.

Master ID: 197492 Revision: 1
Correct: C
Standards:
SSEPF4.a

27 Why do banks and other financial institutions require collateral for loans?

- A. to raise needed funds
- B. banks want profit motives
- C. to reduce the risk of lending
- D. to assess the trustworthiness of the customer

Master ID: 2821178 Revision: 1
Correct: C
Standards:
SSEPF4.a

Directions: Answer the following question(s).

- 28 While credit is all or part of an amount a borrower may use, debt, is
- the amount of credit that is used.
 - repaid before credit is extended.
 - the unused portion of credit.
 - added to the credit amount.

Master ID: 2819527 Revision: 1
 Correct: A
 Standards: SSEPF4.a

- 29 Use the chart below to answer the question.

	Salary	Number of Credit Cards	Total Credit Limit	Total Outstanding Credit	Number of Payments 30 Days Past Due	Number of Payments 60 Days Past Due	Number of Payments 90 Days Past Due	Credit Score
Anita	\$39,000	4	\$9,000	\$6,000	0	9	0	620
Ben	\$50,000	1	\$7,500	\$5,000	0	0	12	590
Carl	\$48,000	2	\$8,000	\$1,000	0	0	0	750
Debra	\$65,000	3	\$10,000	\$9,750	11	0	0	430

Which person would MOST likely receive the lowest interest rate when applying for a loan?

- Anita
- Ben
- Carl
- Debra

Master ID: 1907209 Revision: 1
 Correct: C
 Standards: SSEPF4.a

Directions: Answer the following question(s).

30 What is an advantage of using a credit card instead of a debit card?

- A. lower long-term costs
- B. the ability to delay payment
- C. the power to negotiate prices
- D. more incentives for self-control

Master ID: 197491 Revision: 1
Correct: B
Standards:
SSEPF4.b

31 If Oliver wants to make the MOST money on his savings account, he should look for a bank that pays interest how often?

- A. daily
- B. monthly
- C. quarterly
- D. yearly

Master ID: 1907213 Revision: 1
Correct: A
Standards:
SSEPF4.b

Directions: Answer the following question(s).

32 Use the table below to answer the question.

	Consumer Spending	Consumer Savings	Aggregate Demand
1	Increase	Increase	Increase
2	Decrease	Increase	Increase
3	Decrease	Increase	Decrease
4	Decrease	Decrease	Decrease

Which row in this table shows the result of an increase in long-term interest rates?

- A. Row 1
- B. Row 2
- C. Row 3
- D. Row 4

Master ID: 328006 Revision: 1
 Correct: C
 Standards: SSEPF4.b

33 Which payment method can cause long-term problems because of high interest rates?

- A. barter
- B. currency
- C. credit cards
- D. personal checks

Master ID: 197443 Revision: 1
 Correct: C
 Standards: SSEPF4.b

Directions: Answer the following question(s).

34 Which economic indicator will be affected by a change in long-term interest rates?

- A. the amount of money the federal government borrows
- B. the amount of soft goods purchased by consumers
- C. the number of new homes purchased by consumers
- D. the number of preexisting loans held by businesses

Master ID: 328005 Revision: 1
Correct: C
Standards:
SSEPF4.b

35 Morgan is deciding between two loan offers. To determine which loan to choose, she should compare each loan's

- A. beacon score
- B. credit rating
- C. average prime rate
- D. annual percentage rate

Master ID: 2821301 Revision: 1
Correct: D
Standards:
SSEPF4.c

Directions: Answer the following question(s).

36 Use the chart below to answer the question.

Insurance Portfolios			
A	B	C	D
<ul style="list-style-type: none"> • Car Insurance • Health Insurance • Life Insurance • Disability Insurance • Homeowners Insurance • Renters Insurance • Long-term Care Insurance 	<ul style="list-style-type: none"> • Car Insurance • Health Insurance 	<ul style="list-style-type: none"> • Car Insurance • Health Insurance • Life Insurance • Disability Insurance • Homeowners Insurance 	<ul style="list-style-type: none"> • Car Insurance • Health Insurance • Life Insurance • Renters Insurance • Long-term Care Insurance

Which insurance portfolio would be **BEST** for a 32-year-old construction worker who lives with his wife and two children in a home that they own?

- A. A
- B. B
- C. C
- D. D

Master ID: 1907250 Revision: 1
 Correct: C
 Standards: SSEPF5.a

37 Sylvia is seriously injured when a tornado strikes, damaging her home, car, and leaving her unable to work for six months. Which insurance policy is she least likely to use in this situation?

- A. disability
- B. health
- C. property
- D. life

Master ID: 2821211 Revision: 1
 Correct: D
 Standards: SSEPF5.a

Directions: Answer the following question(s).

38 Which type of insurance is most likely classified into categories such as term, whole, and variable?

- A. health insurance
- B. life insurance
- C. automobile insurance
- D. disability insurance

Master ID: 2821194 Revision: 1
Correct: B
Standards:
SSEPF5.a

39 Which type of insurance MOST often protects an individual who is being sued by a third party?

- A. life
- B. renters
- C. health
- D. liability

Master ID: 1907243 Revision: 1
Correct: D
Standards:
SSEPF5.a

40 Shanna's mortgage company requires insurance coverage. Which type of insurance would she need?

- A. automobile
- B. disability
- C. life
- D. property

Master ID: 2821185 Revision: 1
Correct: D
Standards:
SSEPF5.a

Directions: Answer the following question(s).

41 Use the chart below to answer the question.

Coverage	Cost
<ul style="list-style-type: none"> • Bodily injury liability • Property damage liability • Comprehensive • Collision • Uninsured-motorist • Underinsured-motorist 	<ul style="list-style-type: none"> • ? • Deductible

Which of these should replace the question mark in the chart?

- A. Premiums
- B. Dividends
- C. Transaction Fees
- D. Investment Management Fees

Master ID: 1907246 Revision: 1
 Correct: A
 Standards:
 SSEPF5.b

42 Rebecca is 24 years old and is involved in a bad automobile accident. Under her current automobile insurance, she chose a \$2000 deductible. After filing her claim, the insurance company told her she had to pay the deductible before they would pay for the remaining damages.

What could Rebecca do to lower her deductible?

- A. drive more safely
- B. nothing can be done
- C. ask for a lower premium
- D. ask for a higher premium

Master ID: 2821295 Revision: 1
 Correct: D
 Standards:
 SSEPF5.b

Directions: Answer the following question(s).

- 43 The job that would most likely require strong written communication skills is
- A. a mechanic
 - B. a secretary
 - C. a bank teller
 - D. a retail clerk

Master ID: 2821291 Revision: 1
Correct: B
Standards:
SSEPF6.a

- 44 Which action will MOST LIKELY lead a person to increase personal wealth?
- A. earning a higher income
 - B. spending more on expenses
 - C. traveling around the world
 - D. taking out high-interest loans

Master ID: 522495 Revision: 1
Correct: A
Standards:
SSEPF6.a

- 45 The skills most likely needed to be successful in the workplace
- A. depend on the type of job
 - B. are dependent on the worker
 - C. are measured by the U.S. Census
 - D. must be attained by higher-level education

Master ID: 2821216 Revision: 1
Correct: D
Standards:
SSEPF6.a

Directions: Answer the following question(s).

46 How can a person increase his chances of finding a job in the workforce?

- A. develop marketable skills
- B. accumulate personal debt
- C. demand high wages
- D. leave school early

Master ID: 522494 Revision: 1
Correct: A
Standards:
SSEPF6.b

47 Use the table below to answer the question.

Profession	2011 Mean Annual Salary
Fast-Food cooks	\$18,720
Floral designers	\$25,350
Brick masons	\$50,760
Microbiologists	\$71,720
Petroleum engineers	\$138,980

Which phrase BEST explains the difference in salaries between these occupations?

- A. the average laborer's years of experience
- B. the required level of education
- C. the physical demands of the work performed
- D. the risks to laborers at the workplace

Master ID: 194646 Revision: 1
Correct: B
Standards:
SSEPF6.b

Directions: Answer the following question(s).

48 Use the list below to answer the question.

**The Effects of a Global Economy
on the United States**

- Expanded international trade
- Greater domestic competition
- _____ ?

Which effect correctly completes this list?

- A. Increased union influence
- B. Demand for training opportunities
- C. Lower unemployment rate
- D. Reduction of trade agreements

Master ID: 194616 Revision: 1
Correct: B
Standards:
SSEPF6.b

49 Which action would MOST LIKELY lead to increased income?

- A. owning a large house
- B. retiring at a young age
- C. graduating from college
- D. traveling around the world

Master ID: 522489 Revision: 1
Correct: C
Standards:
SSEPF6.b

50 Which of these MOST often results from additional education?

- A. higher income
- B. higher cost of living
- C. fewer job opportunities
- D. fewer developed skills

Master ID: 522491 Revision: 1
Correct: A
Standards:
SSEPF6.b