

Name: _____

Date: _____

1. During the 1800s, the Industrial Revolution changed America. A major change that happened because of the Industrial Revolution was an increase in goods that were

- A. made in factories instead of in small shops and homes.
 - B. sold in small stores and shops.
 - C. made in small shops and homes instead of in factories.
 - D. sold in large stores and businesses.
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2. Which of the following situations will MOST LIKELY make the price of an item go down?

- A. The price of the natural resources needed to make the item increases.
 - B. The supply of the item is greater than the demand for it.
 - C. The price of the labor needed to make the item increases.
 - D. The demand for the item is greater than the supply of the item.
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3. People have different roles in our economic system—producer, provider, consumer, and investor. The person who buys stock in a company is

- A. an investor.
 - B. a consumer.
 - C. a provider.
 - D. a producer.
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4. In economics there are exports and imports. Which of the following is an example of a United States export?

- A. a television made in China and sold in the United States
 - B. a car made in Mexico and sold in Mexico
 - C. a radio made in the United States and sold in the United States
 - D. a computer made in the United States and sold in Indonesia
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5. A factory makes 100 cars a day. They sell quickly, and dealers have lists of people wanting to buy the car. The factory owner decides to hire more workers and make 150 cars a day. This is an example of

- A. buying and bartering.
 - B. specialization.
 - C. supply and demand.
 - D. mechanization.
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6. The things needed to produce goods and services are called the factors of production. The factors of production include capital (machines), labor, and

- A. government decisions.
 - B. workers' skills.
 - C. land resources.
 - D. buyers' needs.
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7. In economics, there are imports and exports. An import is

- A. merchandise shipped to a foreign country.
 - B. a tax on goods shipped to a foreign country.
 - C. merchandise shipped from a foreign country.
 - D. a tax on goods shipped from a foreign country.
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8. The westward migration (movement) of settlers during the 1800s greatly affected the lives of Native Americans. Which statement describes one way in which Native Americans were affected?

- A. Native Americans began to hunt buffalo rather than grow crops.
 - B. Native Americans grew wealthy from trade with white settlers.
 - C. Native Americans were forced off their land.
 - D. Native Americans moved away from reservations.
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9. The law of supply and demand is very important in economics. Which of the following correctly describes supply and demand?

- A. Consumers will buy whatever is produced.
 - B. Producers will make what consumers demand.
 - C. Suppliers will make whatever they decide to.
 - D. Investors will put money into any business.
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10. Both natural resources and human resources are used in economics. Which of the following is an example of a natural resource?

- A. water
 - B. workers in a factory
 - C. investors in a company
 - D. money
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11. What is the definition of "economics"?

- A. the study of human behavior and attitudes
 - B. the study of past events and the impact they have had on people
 - C. the study of political and social interactions
 - D. the study of the production and distribution of goods and services
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12. One of the important parts of economics is interdependence. Which of the following is an example of interdependence?

- A. People make their own clothing.
 - B. People often move to places that aren't as crowded.
 - C. People need goods and services provided by other people.
 - D. People grow their own food.
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13. Many pioneers on the western plains made their houses out of sod. Sod is pieces of grass dug out of the ground with roots and dirt still attached. Making houses out of sod is an example of

- A. supply and demand.
 - B. using scarce resources.
 - C. production and consumption.
 - D. using available resources.
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14. Trade is the exchange of goods and services. International trade sometimes involves the use of tariffs. Tariffs are

- A. a tax on imports.
 - B. goods shipped to a country.
 - C. a tax on exports.
 - D. goods shipped from a country.
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15. Which of the following is an example of economics?

- A. The government of the United States is divided into three branches.
 - B. The United States declared its independence from Great Britain.
 - C. The people of the United States come from many different places.
 - D. The United States buys oil for use at home from other countries.
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16. There are many different types of economic systems. The United States economy is based on a

- A. free enterprise system.
 - B. communist system.
 - C. socialist system.
 - D. traditional system.
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17. Many things go together to produce goods and services. Someone has to get an idea for something to sell (a product). What do we call the skills of workers and the hours they work to make the product?

- A. investment
 - B. capital
 - C. market
 - D. labor
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18. Supply and demand affect goods and services in an economy. If people decide to buy more of a product, producers will MOST likely decide to

- A. make more of the product.
 - B. change the name of the product.
 - C. make less of the product.
 - D. lower the cost of the product.
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19. The factors of production is a term used for all the elements that go together to produce goods and services. Which factor of production is the term used to describe natural resources?

- A. land
 - B. labor
 - C. capital
 - D. consumption
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20. In economic terms, which action shows a person acting as an investor?

- A. A person sells a car to a neighbor.
 - B. A person puts money in a savings bank.
 - C. A person drives students to school.
 - D. A person buys a new pair of shoes.
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21. People play different roles in economics—producer, provider, consumer, and investor. The person working at a grocery store is a

- A. producer.
 - B. provider.
 - C. consumer.
 - D. investor.
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22. Land, labor, and capital (machines) are used to produce goods and services. These are known as

- A. natural resources.
- B. the laws of consumption.
- C. the law of supply and demand.
- D. the factors of production.

Answer Key

1. A) made in factories instead of in small shops and homes.
2. B) The supply of the item is greater than the demand for it.
3. A) an investor.
4. D) a computer made in the United States and sold in Indonesia
5. C) supply and demand.
6. C) land resources.
7. C) merchandise shipped from a foreign country.
8. C) Native Americans were forced off their land.
9. B) Producers will make what consumers demand.
10. A) water
11. D) the study of the production and distribution of goods and services
12. C) People need goods and services provided by other people.
13. D) using available resources.
14. A) a tax on imports.
15. D) The United States buys oil for use at home from other countries.
16. A) free enterprise system.
17. D) labor
18. A) make more of the product.
19. A) land
20. B) A person puts money in a savings bank.
21. B) provider.
22. D) the factors of production.