

Study Guide for Unit 9 Test – Economics

1. Decide if the following things are capital, labor, land, or entrepreneurship.

Potatoes

French fries

Paper

Trees

Milk

Ice cream

Inventor of guns

Machine gun

Garbage man

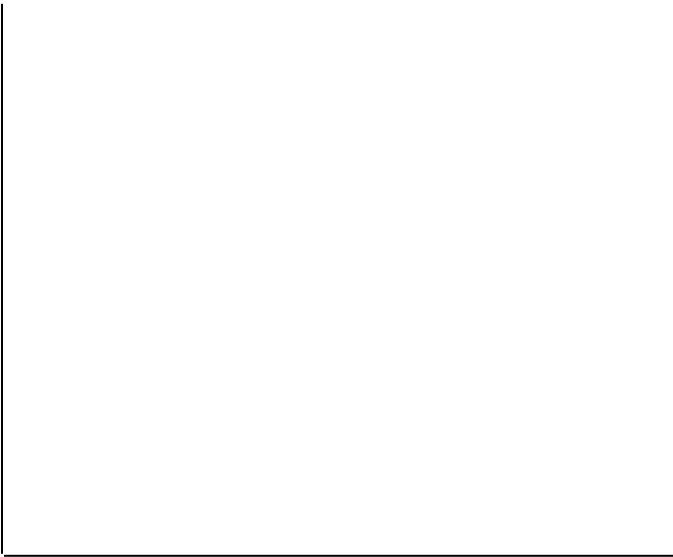
Garbage truck

Garbage

Landfill

2. Name the 4 things that increase productivity. What is an example of each?

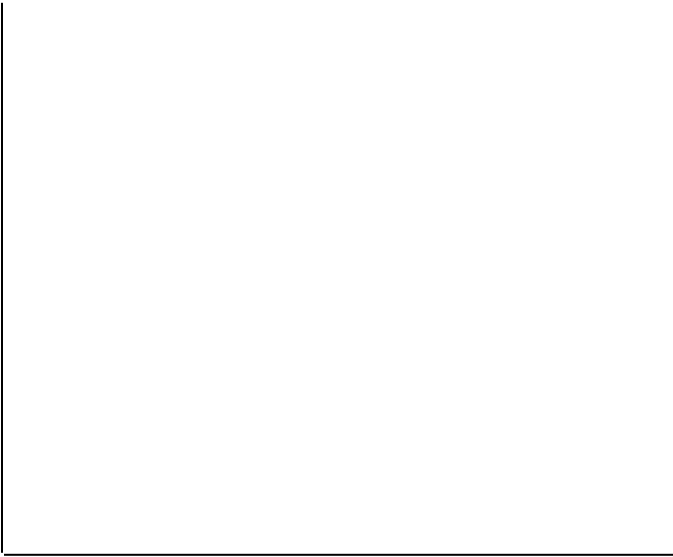
3. Ryan's Racing shoes' supply increases due to a drop in production costs. Draw the graph to demonstrate this change.



4. Melissa's Motorcycle tires' supply decreases due to an increase in tire rubber. Draw the graph to demonstrate this change.



5. Dustin's Diamonds is THE place to get your diamond ring, resulting in his demand increasing. Draw the graph to demonstrate this change.



6. Kendrick's KinderKare is the best place in town for childcare due to his competition, Matthew's MotherlyCare, going bankrupt. Draw the graph to demonstrate this change.



7. If the supply curve for Sean's CDs goes left, did supply decrease or increase?
8. If the demand curve of Hunter's Houses' goes left, did demand decrease or increase?
9. What is price equilibrium? Draw the graph to demonstrate this.

10. Graph the following supply & demand for movie tickets:

- a. Label all parts
- b. What is the equilibrium price & quantity?
- c. What would occur if the price of movie tickets was \$5?
- d. What would occur if the price of movie tickets was \$20?
- e. Draw a new graph that shows what would happen to demand for movie tickets on a rainy day. What would happen to equilibrium price?
- f. Draw a new graph that shows what would happen to the supply for movie tickets if a theater closed. What would happen to equilibrium price?

Price	Quantity Demanded	Quantity Supplied
\$0	60	0
\$5	45	15
\$10	30	30
\$15	15	45
\$20	0	60

11. There are 3 types of businesses; sole proprietorship, partnership, and a corporation. Describe the benefits and the disadvantages to each type of business.

Proprietorship:

Partnership:

Corporation:

12. Who needs a charter to get started?

13. Who owns a corporation?

14. Who gets the profits from a sole proprietorship?

15. What problems does a partnership have?

16. What is the economic problem? Give an example of how that economic problem is relevant to your life.

17. What is the difference between a trade-off and an opportunity cost?

18. What is the difference between elastic and inelastic? Give examples.

	Pros	Cons
Traditional		
Market		

Command		