

Web Quiz

Assignment Name: Dlabay/Burrow/Egglund, Intro to Business, 6e, Xtra! Quiz, Chapter 1

Review

Markets are always physical locations where economic transactions take place.

1. True
 False

Opportunity cost is the value of the next-best alternative that is not chosen.

2. True
 False

Consumers are individuals and organizations that determine what products and services will be available for sale.

3. True
 False

In a _____ all resources are owned and controlled by the government.

4. a. command economy
 b. traditional economy
 c. market economy
 d. mixed economy

A _____ takes place when you give up something to have something else.

5. a. financial choice
 b. substitution
 c. transaction
 d. tradeoff

When many more people wish to purchase a product, its price will tend to:

6. a. stay the same.
 b. fall.
 c. decline only to rise again.
 d. increase.

7. Which of the following statements is true of the U.S. economy?
- a. The U.S. has been the world's largest consumer for more than 200 years.
 - b. Most U.S. families own three or more automobiles.
 - c. All U.S. consumers spend more than they earn.
 - d. The United States is the largest producer of goods and services in the world.
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Economic decision-making is the process of deciding:

- a. how to spend your time.
8. b. how to use your income.
- c. which wants will be satisfied.
 - d. whether to buy products now or later.
-

All economies face the basic economic problem of scarcity of money.

9. True
 False
-

Most nations of the world can be classified as having a _____.

- a. command economy
10. b. market economy
- c. traditional economy
 - d. mixed economy
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The basic economic problem results from _____.

- a. scarcity
11. b. shortages of money
- c. competition
 - d. unfair distribution systems
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Economic resources are the means through which goods and services are produced.

12. True
 False
-

Which of the following is an example of a service?

13. a. The shingles that are used to put a new roof on your home.
- b. The effort of the worker you hire to put a new roof on your home.

- c. The hammer that is used to install the new shingles on your home.
 - d. The increased value of your home after a new roof is installed.
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Each of the following is one of the three economic questions that must be answered in all nations *except*:

- a. What goods and services will be produced?
 - 14. b. How will the goods and services be produced?
 - c. Who will receive the profits earned when goods and services are produced?
 - d. What needs and wants will be satisfied with the goods and services produced?
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Things that are required in order to live are wants.

- 15. True
 - False
-

_____ include tools and equipment used to produce goods and services.

- a. Natural resources
 - 16. b. Human resources
 - c. Capital resources
 - d. Consumer resources
-

When there are many competitors in a market, individual businesses are not able to easily raise their prices.

- 17. True
 - False
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_____ refers to the quantity of a good or service that businesses are willing and able to offer for sale.

- a. Supply
 - 18. b. Demand
 - c. Surplus
 - d. Shortage
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The first step in the decision-making process is to:

- 19. a. identify the choices.
- b. define the problem.
- c. evaluate advantages and disadvantages of each choice.

d. review your decision.

Which of the following is not a principle upon which the U.S. economic system is based?

- a. private property
- 20.** b. freedom of choice
- c. government regulation
- d. competition

