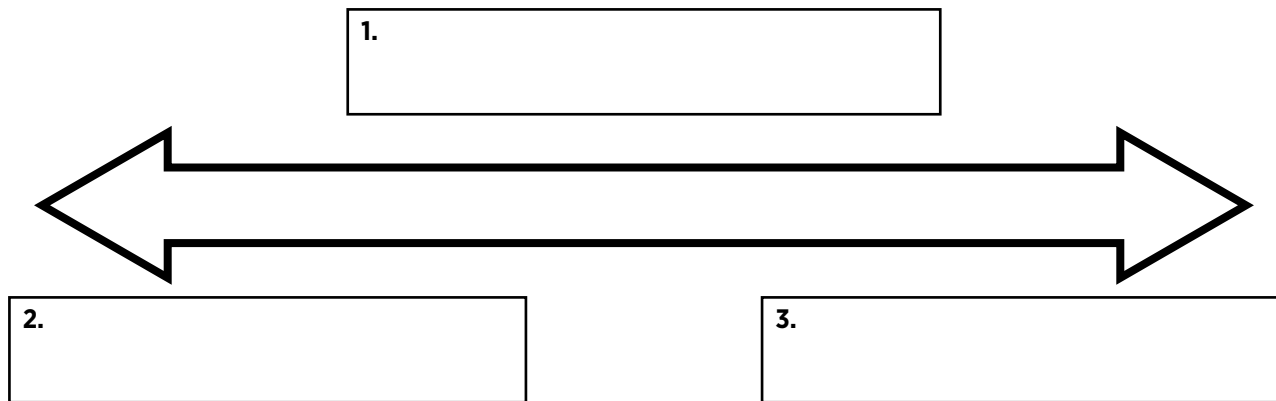


Chapter 3: Economic Understandings**Quick Review**

Directions: Label the economic continuum.

The Economic Continuum

Directions: For each question, write the letter of the BEST response on the line beside each question.

- _____ 4. What type of economy do MOST nations have today?
a. command
b. market
c. mixed
d. traditional
- _____ 5. In what type of economy are government control and centralized planning important?
a. command
b. market
c. mixed
d. traditional
- _____ 6. Which economic system is based on economic free will?
a. command
b. market
c. mixed
d. traditional
- _____ 7. Which economic system would have subsistence farming, weaving, and simple trade?
a. command
b. market
c. mixed
d. traditional

Continued on next page.



- _____ 8. Which are costs that you must sacrifice because of a decision?
- a. dividends
 - b. financial
 - c. opportunity
 - d. production
- _____ 9. Which is a factor of production?
- a. capital goods
 - b. consumers
 - c. demand
 - d. fossil fuels
- _____ 10. Which term means “the amount produced in a country during a fiscal year”?
- a. capital
 - b. goods
 - c. gross domestic product
 - d. gross production efficiency
- _____ 11. Along with the cost of production, which determines the cost of goods?
- a. capital and resources
 - b. customers and money
 - c. supply and demand
 - d. none of the above
- _____ 12. What are taxes placed on imported goods?
- a. capital
 - b. income
 - c. production
 - d. tariffs
- _____ 13. Which term means “the quality of life that people can expect to live in a country”?
- a. standard of money
 - b. standard of health
 - c. standard of education
 - d. standard of living
- _____ 14. Which type of resources are fossil fuels, strategic minerals, and rare jewels?
- a. capital
 - b. production
 - c. nonrenewable
 - d. renewable

