Name: _____   Date: _____   Class: _____

Chapter 3: Economic Understandings

Quick Review

Directions: Label the economic continuum.

The Economic Continuum

1.
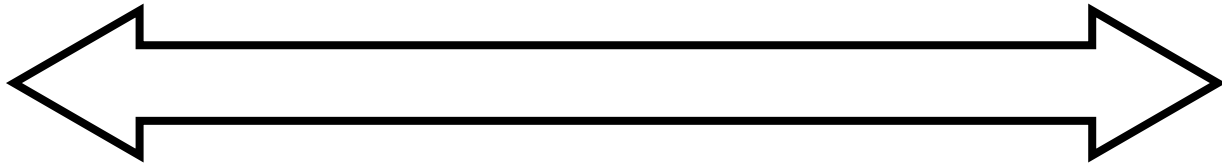
2.	3.

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