1. Economics is the study of how a nation uses its resources. The resources, or factors of production, in an economy include
   1. Money, Factories, Tools, Labor
   2. Machines and Workers
   3. Land, Labor, Capital and Entrepreneurship
   4. Businesses and consumers
2. Supply is the quantity of goods and services that:
   1. Consumers are willing and able to purchase
   2. Producers are willing and able to manufacture
3. Demand is the quantity of goods and services that:
   1. Consumers are willing and able to purchase
   2. Producers are willing and able to manufacture
4. In an economic system, which of the following is the decision to purchase raw materials and make it into an item to sell?
   1. What to produce?
   2. For whom to produce?
   3. How to produce?
   4. When to produce?
5. In an economic system, the decision to hire more employees in order to make more products is answering which economic choice?
   1. What to produce?
   2. For whom to produce?
   3. How to produce?
   4. When to produce?
6. In an economic system, the decision to sell products to middle class teenagers whose hobbies include sports answers which economic choice?
   1. What to produce?
   2. For whom to produce?
   3. How to produce?
   4. When to produce?
7. Hu Jintao, the dictator of China, makes the decisions which affect the jobs and living conditions of people living in China. The economic system in China is closer to which economic system?
8. Command
9. Market
10. Traditionalist
11. Mixed
12. (E11) New Zealand promotes private ownership of businesses where competition among business owners drives prices. They are considered to be closer to which type of economic system?

a. market

b. traditional

c. command

d. mixed

1. Haiti’s economy is based mainly on agricultural products such as coffee. This is considered which type of economic system?
   1. Market
   2. Traditional
   3. Command
   4. mixed
2. Which type of economic system occurs when both the government and individuals own factors of production?
   1. Market
   2. Traditional
   3. Command
   4. Mixed

TRUE/FALSE

11. The output of goods and services produced by labor and property located with a country is called its gross domestic product.

12. A period of economic slowdown that lasts for at least two quarters (6 months) is called a trough.

13. When businesses are taxed at a high rate, they have less money to produce goods and therefore may have to hire less employees or fire some of the ones they have.

14. The Federal Reserve raised interest rates during inflation to discourage borrowing of money.

15. The law of demand states that the quantity of goods supplied rises as market prices rises and falls as market prices fall.

16. The law of supply states that the quantity of a good demanded falls as price rises and vice versa.

17. Buyer’s Market – In a buyer’s market, people shop around for the best price because supply is high so they want the best value for their money. Businesses usually make less money in a buyer’s market.

18. A product has a unique characteristic so consumers will go out of their way to purchase it, is known a specialty item.

19. A product that requires little thought when purchasing is called a convenience item.

20. An economy in which both the consumer and private businesses make the majority of the economic decisions is known as a Free Entrepreneurial System

21. When demand exceeds supply in an economy, a surplus exists

22. When the amount of product being supplied is equal to the amount being demanded, equilibrium exists.

FILL IN THE BLANK

Fill in the blank (type your answer) to describe each marketing function as it related to its definition

23. When you assist customers in paying for your company’s products, you are providing which function?

24. Process of collecting information about customer trends, and competitor products

25. The process of establishing and communicating to customers the value of cost of goods and services

26. Obtaining, developing, maintaining, and improving a product or product line to respond to customer needs and wants

27. Any form of communication used to inform, persuade, or remind people about a business’s products

28. Any direct and personal communication with customers to assess and satisfy their needs and wants is considered selling

29.. Making decisions about where to sell the product and how it gets there

SHORT ANSWER  
Please draw a chart below that shows you understand the definition of equilibrium