



## **Lesson Four Post Test: Basics of the Economy**

- 1) Capitalism
  - a) Alternative choices made by consumers in the marketplace
  - b) Economy where private citizens own the means of production
  - c) Economy in which resource distribution and trade stems from ritual or habit
  - d) Economy in which consumers and businesses make economic decisions
- 2) Process of creating goods and services
  - a) Production
  - b) Trade-offs
  - c) Inflation
  - d) Opportunity cost
- 3) Opportunity cost
  - a) Role of consumers as ruler of the market
  - b) Economy in which consumers and businesses make economic decisions
  - c) The cost of the next best alternative to the use of money or time
  - d) Economy in which resource distribution and trade stems from ritual or habit
- 4) Condition of not having enough resources to produce all people want
  - a) Economy
  - b) Profit
  - c) Service
  - d) Scarcity
- 5) Traditional economy
  - a) Extent to which individuals or businesses are better off after an economic exchange
  - b) Economy in which resource distribution and trade stems from ritual or habit
  - c) The cost of the next best alternative to the use of money or time
  - d) Economy in which consumers and businesses make economic decisions
- 6) Work that is performed for someone
  - a) Scarcity
  - b) Inflation
  - c) Service
  - d) Production
- 7) Free enterprise
  - a) The cost of the next best alternative to the use of money or time
  - b) Economy in which consumers and businesses make economic decisions



- c) Condition of not having enough resources to produce all people want
  - d) Economy in which resource distribution and trade stems from ritual or habit
- 8) Organized way in which a society provides for the wants and needs of its people.
- a) Profit
  - b) Economy
  - c) Market economy
  - d) Scarcity
- 9) People with all their efforts, abilities, and skills.
- a) Trade-offs
  - b) Inflation
  - c) Labor
  - d) Scarcity
- 10) Rise in the general levels of prices
- a) Production
  - b) Service
  - c) Inflation
  - d) Trade-offs



### **Lesson Four Post Test: Basics of the Economy [ANSWER KEY]**

- 1) B - Economy where private citizens own the means of production
- 2) A - Production
- 3) C - The cost of the next best alternative to the use of money or time
- 4) D - Scarcity
- 5) B - Economy in which resource distribution and trade stems from ritual or habit
- 6) C - Service
- 7) B - Economy in which consumers and businesses make economic decisions
- 8) B - Economy
- 9) C - Labor
- 10) C - Inflation