Name:________________________ Date:____________

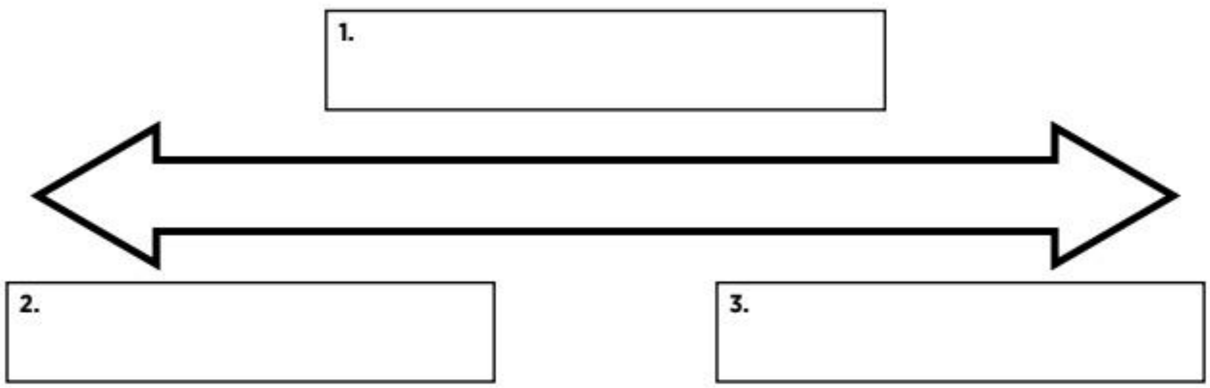
Chapter 3: Economic Understandings Review

Quick Review

Use information from Chapter 3 of your textbook to demonstrate what you have learned about economics.

Instructions: Label the economic continuum below.

The Economic Continuum



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

_______ 4. What type of economy do MOST nations currently have?

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

_______ 5. In what type of economy is government control and centralized planning important?

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

_______ 6. Which economic system is built on economic freedom between producers and consumers?

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

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ACTIVITY FOR LEARNING

______ 7. Which economic system involves subsistence farming, weaving, and simple trade?
a. command
b. market
c. mixed
d. traditional

______ 8. What is the cost a person must give up 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 refers to “the amount of goods and services produced in a country during a fiscal year”?
a. capital
b. goods
c. Gross Domestic Product
d. Gross Production Efficiency

______ 11. Besides production costs, what else influences the cost of goods?
a. capital and resources
b. customers and money
c. supply and demand
d. none of the above

______ 12. What taxes are placed on imported goods?
a. capital
b. income
c. production
d. tariffs

______ 13. Which term is used to describe the quality of life for people in a country?
a. standard of money
b. standard of health
c. standard of education
d. standard of living