Name:_____      Date:_____

1. Many things go together to produce goods and services. Someone has to get an idea for something to sell (a product). What do we call the skills of workers and the hours they work to make the product?

A. investment
B. capital
C. market
D. labor

2. What is the MAIN way communities get money in order to build schools and roads?

A. taxes
B. gifts
C. bake sales
D. garage sales

3. There are different kinds of taxes, such as income tax and sales tax. What is a tax?

A. money collected by the government
B. a plan for using money
C. a car that carries passengers for money
D. the buying and selling of products

4. What does tax money help to build?

A. public roads
B. restaurants
C. gas stations
D. grocery stores

5. Which of the following buildings would MOST LIKELY be paid for by tax money?

A. an elementary school
B. a shopping mall
C. a gas station
D. a bakery

6. Which natural resource would MOST LIKELY contribute to the growth of a coastal community?

A. fish
B. forests
C. minerals
D. farmland

7. Why do members of a community have to pay taxes?

A. so that most people can buy a new car
B. to pay for everything people want
C. so that people do not have to pay for their family's groceries
D. to pay for services provided by the government

8. All of the following are paid for by taxes EXCEPT

A. beauty shops.
B. the police force.
C. the fire department.
D. parks and recreation.

9. Which are usually built by the government with tax money?

A. roads
B. factories
C. barber shops
D. grocery stores

10. Shelly is drawing a map of Georgia. It will show only the areas where peaches are grown. What kind of map is she drawing?

A. physical
B. political
C. landform
D. resource

11. A factory makes 100 cars a day. They sell quickly, and dealers have lists of people wanting to buy the car. The factory owner decides to hire more workers and make 150 cars a day. This is an example of

A. buying and bartering.
B. specialization.
C. supply and demand.
D. mechanization.

12. The things needed to produce goods and services are called the factors of production. The factors of production include capital (machines), labor, and

A. government decisions.
B. workers' skills.
C. land resources.
D. buyers' needs.

13. Both natural resources and human resources are used in economics. Which of the following is an example of a natural resource?

A. water
B. workers in a factory
C. investors in a company
D. money

14. Land, labor, and capital (machines) are used to produce goods and services. These are known as

A. natural resources.
B. the laws of consumption.
C. the law of supply and demand.
D. the factors of production.

15. Which of the following situations will MOST LIKELY make the price of an item go down?

A. The price of the natural resources needed to make the item increases.
B. The supply of the item is greater than the demand for it.
C. The price of the labor needed to make the item increases.
D. The demand for the item is greater than the supply of the item.

16.    Which of the following is an example of economics?

A. The government of the United States is divided into three branches.
B. The United States declared its independence from Great Britain.
C. The people of the United States come from many different places.
D. The United States buys oil for use at home from other countries.

17. One of the important parts of economics is interdependence. Which of the following is an example of interdependence?

A. People make their own clothing.
B. People often move to places that aren't as crowded.
C. People need goods and services provided by other people.
D. People grow their own food.

18. The factors of production is a term used for all the elements that go together to produce goods and services. Which factor of production is the term used to describe natural resources?

A. land
B. labor
C. capital
D. consumption

19.

Fur-Fari Dog Groomers bathes dogs. When the dog groomer buys dog shampoo, what role does he have in the economic system?

A. producers
B. consumers
C. productive
D. comparative

20.

Which one of these is the best example of a person wanting to be an entrepreneur of a service?

A. Casey donating her toys to charity
B. Dillion trading his baseball cards
C. Sarah pet sitting her neighbor's pets for a price
D. Veronica buying lemonade at the neighborhood pool

21.

Mr. James Jackson bakes bread for his bakery. He buys his flour, eggs, sugar, and yeast from a manufacturing company. He uses these items to make his baked goods by mixing them in his mixers and placing the items in ovens.

Which answer is an example of capital resources in the paragraph?

A. flour, eggs, sugar, and yeast
B. baker
C. mixers and ovens
D. manufacturing company

**Answer Key**

1. D) labor

2. A) taxes

3. A) money collected by the government

4. A) public roads

5. A) an elementary school

6. A) fish

7. D) to pay for services provided by the government

8. A) beauty shops.

9. A) roads

10. D) resource

11. C) supply and demand.

12. C) land resources.

13. A) water

14. D) the factors of production.

15. B) The supply of the item is greater than the demand for it.

16. D) The United States buys oil for use at home from other countries.

17. C) People need goods and services provided by other people.

18. A) land

19. B) consumers

20. C) Sarah pet sitting her neighbor's pets for a price

21. C) mixers and ovens