

Name: _____

Date: _____

1. The law of supply and demand is very important in economics. Which of the following correctly describes supply and demand?

- A. Consumers will buy whatever is produced.
- B. Producers will make what consumers demand.
- C. Suppliers will make whatever they decide to.
- D. Investors will put money into any business.

2. People play different roles in economics—producer, provider, consumer, and investor. The person working at a grocery store is a

- A. producer.
- B. provider.
- C. consumer.
- D. investor.

3.

Banks provide services in many areas that deal with an individual's money. What impact does a savings account have on an individual's money?

- A. Interest is paid on money in a savings account.
- B. Savings accounts stopped being offered after WWII.
- C. The government takes interest away each time a savings account is opened.
- D. Loans are given out to only those individuals who have a savings or checking account.

4. Certain regions of the United States are better suited for certain economic activities. For example, the climate, physical features, and natural resources of the Pacific Northwest are suited for

- A. raising sheep and cattle.
- B. drilling and mining.
- C. growing cotton and soybeans.
- D. commercial fishing.

5. People have different roles in our economic system—producer, provider, consumer, and investor. The person who buys stock in a company is

- A. an investor.
- B. a consumer.
- C. a provider.
- D. a producer.

Answer Key

1. B) Producers will make what consumers demand.
2. B) provider.
3. A) Interest is paid on money in a savings account.
4. D) commercial fishing.
5. A) an investor.