

Quiz I

- T F 1. Business is the organized efforts of individuals to produce and sell, for a profit, the goods and services that satisfy society's needs.
- T F 2. When individuals decide what to produce, how to produce it, and at what price to sell it, the process is called *business competition*.
- T F 3. A person who risks his or her time, effort, and money to start and operate a business is called an *entrepreneur*.
- T F 4. Businesses are of three types: manufacturers, service businesses, and marketing intermediaries.
- T F 5. The profit earned by a business in a capitalistic society is the property of the government.
- _____ 6. The study of how wealth is created and distributed is called
- capitalism.
 - oligopoly.
 - economics.
 - monopoly.
- _____ 7. An example of a command economy is
- socialism.
 - monopoly.
 - capitalism.
 - oligopoly.
- _____ 8. A market system in which there are many buyers and sellers of a product and no single buyer or seller is powerful enough to affect the price of that product is called
- a free market economy.
 - communism.
 - a natural monopoly.
 - pure competition.
- _____ 9. A system in which the key industries are owned and controlled by the government is called
- capitalism.
 - socialism.
 - a monopoly.
 - a natural monopoly.
- _____ 10. A method of manufacturing in which an entrepreneur distributes raw materials to various homes, where families process them into finished goods, is called
- the factory system.
 - specialization.
 - a service economy.
 - the domestic system.

Quiz II

- T F 1. A method of manufacturing in which an entrepreneur distributes raw materials to various homes to be processed by families is called the *factory system*.
- T F 2. *Capital* refers to capital goods, equipment, and the money needed to purchase them.
- T F 3. What remains after all business expenses are deducted from sales revenues is called *profit*.
- T F 4. The quantity that buyers are willing to purchase at each of various prices is called *supply*.
- T F 5. An industry that requires a huge investment in capital and within which any duplication of facilities would be wasteful is monopolistic.
- _____ 6. A business system in which individuals decide what to produce, how to produce it, and at what price to sell it is called
- business competition.
 - free enterprise.
 - a free market economy.
 - a planned economy.
- _____ 7. A market situation in which there are few sellers is
- a monopoly.
 - a natural monopoly.
 - an oligopoly.
 - monopolistic competition.
- _____ 8. A type of resource needed to start and operate a business is a(n)
- human resource.
 - financial resource.
 - informational resource.
 - all of the above.
- _____ 9. A general rise in the level of prices is known as
- inflation.
 - gross national product.
 - standard of living.
 - deflation.
- _____ 10. The price at which the quantity demanded is exactly equal to the quantity supplied is
- the gross national product.
 - a consumer good.
 - the market price.
 - a profit.