Economics of Europe Quiz

Directions: Answer these questions to the best of your ability. Mark your responses on this test. Sit quietly and work independently. If I hear you, you’re too loud. Avoid disrupting those around you. Please raise your hand and wait for me if you have a question. Thanks ☺

1. The number limit on how many items of a particular product can be imported from a particular country is the?

a. demand

b. quota

c. supply

d. tariff

2. The economic system of communist countries is most closely related to which of the following?

a. command economy

b. market economy

c. traditional economy

d. money economy

3. In a command economy economic decisions are made by the?

a. market

b. government

c. producers

d. consumers

4. How are goods and services exchanged in a traditional economy?

a. shortage and surplus

b. bartering

c. government

d. supply and demand

5. What is an entrepreneur?

a. a person who owns a business

b. a person who starts a business

c. a person who loses their job

d. a person who risks their own money to start a business

6. Gross Domestic Product (GDP) is the total amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and services produced in a country in one year.

7. In order in improve a countries standard of living that country must invest in human capital which will increase the literacy rate. Literacy is the ability to read and write once you are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ years old and older.

8. The three economic questions all producers must answer are:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ to produce.

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ to produce.

3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ to produce for.

9. Jose is an auto mechanic in a nearby town. Jose is amazing at fixing cars. He has decided his own small town needs its own car repair shop, so he decides to open a new shop near his home.

A. Tell me the definition of capital goods and name two capital goods Jose will need in his new shop.

B. Tell me the definition of entrepreneur and explain why Jose is an entrepreneur.

10. What are the three main types of trade barriers? Explain what each one means. Provide an example for each.

A. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

B. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

C. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_