



## JA Economics®

### Quiz: Post-Theme 1.1: Scarcity and Opportunity Cost

Circle the best answer for each question.

- 1. A simple definition of economics is that it is the science of \_\_\_\_\_.  
a. treasures  
b. decision-making  
c. knowledge and skills  
d. time**
- 2. How can entrepreneurs best make sound decisions about how to grow their businesses?  
a. choosing a path based on popular trends  
b. weighing the costs and benefits of individual choices  
c. selecting a strategy suggested in a business magazine  
d. balancing the needs of producers against the needs of customers**
- 3. If there are not enough goods, services, and resources available for everyone to have everything they need or want, it is called \_\_\_\_\_.  
a. scarcity  
b. opportunity cost  
c. economics  
d. famine**
- 4. The term opportunity cost is best described as something that \_\_\_\_\_.  
a. a company receives when services are bought  
b. a company receives when goods are purchased  
c. a person gives up when a choice is made  
d. a person gets as a result of working for a company**
- 5. What is the main reason why people make voluntary exchanges of goods and services in a free market?  
a. They expect to be better off as a result of an exchange.  
b. They anticipate a time when exchanges will be more costly.  
c. They follow laws of economics that require frequent exchanges.**

- d. They view exchanges as a good way to compete with other parties.
- 6. Which of the following lists of goods include only needs and no wants?**
- a. cars, phones, Internet
  - b. textbooks, backpacks, pencils
  - c. pictures, lamps, televisions
  - d. shoes, socks, pants
- 7. A student in the ninth grade works part-time at a fast-food restaurant after school to help earn money to pay for college. Which statement best summarizes his goal?**
- a. He wants to increase his ability to consume in the present.
  - b. He wants to increase his ability to save in the future.
  - c. He wants to increase his ability to save in the present so he can increase his ability to consume in the future.
  - d. He wants to reduce his consumption in the present to increase his ability to consume in the future.
- 8. If you open a car wash service and spend \$50.00 on supplies and sell washes for \$10 each, after the 5th car you wash, the next \$10.00 is referred to as \_\_\_\_\_.**
- a. risk
  - b. loss
  - c. profit
  - d. human labor
- 9. What type of productive resources are iron ore, timber, tuna, and crude oil examples of?**
- a. capital resources
  - b. land/natural resources
  - c. human resources
  - d. entrepreneurial resources
- 10. Which effect(s) is caused by new businesses supplying new goods and services to the market?**
- a. expansion of consumer choice
  - b. creation of new jobs
  - c. innovation of new goods and services
  - d. all of the above