



Economics®

Quiz: Post-Theme 2.3: Economic Growth

Circle the best answer for each question.

1. **What is a way in which private property supports economic growth?**
 - a. It prevents improvements to property.
 - b. It discourages recycling.
 - c. It makes ownership valuable.
 - d. It increases tax value.
2. **What is an example of the rule of law in economics?**
 - a. The oldest members have more advantages.
 - b. All market members follow the same rules.
 - c. Benefits are based on the size of the company.
 - d. The level of revenue determines which rules have to be obeyed.
3. **What is a benefit of competition?**
 - a. motivating rival businesses to develop better products
 - b. making prices increase
 - c. guaranteeing job security
 - d. encouraging international trade
4. **What represents creative destruction leading to economic growth?**
 - a. Email providers replaced physical letters.
 - b. Travel-booking websites replaced travel agents.
 - c. Cell phone cameras replaced cameras.
 - d. all of the above
5. **Which statement is true about the financial markets?**
 - a. They are not important for the economy's growth.
 - b. Individual savers can seldom participate in them.
 - c. They help businesses invest in new capital resources.
 - d. They require close government supervision in order to set fair prices.

6. **Which statement is true about investments in physical and human capital?**
- a. They reduce employment opportunities and standards of living.
 - b. They require productivity losses in exchange for reduced upfront costs.
 - c. They require short-term costs in exchange for improved long-term results.
 - d. They create little or no opportunity costs or economic risks for companies.
7. **What is most likely to improve a company's overall productivity?**
- a. higher tax rates on its workers' incomes
 - b. improvements in its trade relations
 - c. advances in its technology
 - d. none of the above
8. **Which statement best explains why entrepreneurs are important to the economy as a whole?**
- a. They generate innovative solutions to problems faced by consumers.
 - b. They drive down the prices of substitute goods.
 - c. They limit the choices available to consumers.
 - d. They create ways for individuals in the economy to become wealthy without risk.
9. **Which statement is true about how technology advancement stimulates economic growth?**
- a. Fewer outputs mean better quality of life for consumers.
 - b. Businesses produce goods and services faster, better, or cheaper.
 - c. More inputs are required to get equal or greater outputs.
 - d. all of the above