

Economics®

Quiz: Post-Theme 2.4: Economic Systems and Structures

Circle the best answer for each question.

1. **Compared to market economies, command economy systems generally have _____.**
 - a. fewer privately owned businesses
 - b. a wider variety of choices for consumers
 - c. fewer government regulations and rules to follow
 - d. a higher standard of living among the general population
2. **The United States economy is best described as _____.**
 - a. a command economy
 - b. a traditional economy
 - c. a pure market economy without government regulation
 - d. a mixed economy with market and government elements
3. **Which statement is true in comparing the market to the government?**
 - a. Market participants face scarcity, but government officials do not.
 - b. Market participants respond to incentives; government officials do as well.
 - c. Market participants don't face competition, but government officials do.
 - d. all of the above.
4. **Which of the following are reasons the government taxes people and businesses?**
 - a. to support the functions of the government
 - b. to encourage activities the government believes to be harmful
 - c. to encourage particular religions
 - d. to alter the level of economic activity
5. **Which statement best describes how limited government helps people prosper?**
 - a. It maximizes the tax required to fund the government.
 - b. It protects property rights.
 - c. It equitably redistributes property ownership.
 - d. It threatens inheritance rights.

6. **"The U.S. federal government bases your taxes on how much you earn in income, meaning people with higher incomes pay a higher tax rate. What kind of tax is this?"**
- a. proportional tax
 - b. regressive tax
 - c. sales tax
 - d. progressive tax
7. **What is the best description of economic freedom?**
- a. a person's ability to control his or her own resources, labor, consumption, production, and property
 - b. the legal, regulatory, and monetary rules and laws that affect the security of property rights
 - c. the freedom to trade internationally
 - d. a consumer's purchasing power of income
8. **Which factor influences a country's level of economic freedom?**
- a. available transportation
 - b. cost of land
 - c. diversity of goods produced
 - d. stable money