

Name _____

COMMUNITY AND ECONOMY

COMMUNITY AND ECONOMY ASSESSMENT

Section One: Enter the answer or answers that best apply to the question.

1. Which best describes the circular flow of an economy?
 - a. the flow between businesses and resources
 - b. the exchange of money, goods, and services in an economy
 - c. happens only in a resource market
 - d. happens only in a goods and services market

2. Which is **not** true of public goods and services?
 - a. shared by everyone—sometimes at the same time
 - b. only given to the needy
 - c. no one is prevented from using them
 - d. are paid for by taxes

3. Which of the following is **not** a basic economic question?

a. what to produce?	c. how to produce?
b. how much profit will be made?	d. for whom to produce?

4. Who pays for public goods and services?

a. philanthropists	c. only people who use them
b. taxpayers	d. government

Section Two: True or False?

5. A free enterprise economy is a system in which economic decisions are made in markets by consumers and businesses. T F

6. Due to scarcity, people cannot have all of the things they want. T F

7. Businesses produce goods and services for citizens, who in turn supply labor and other resources to the businesses. T F

8. Resources are the goods people buy from business. T F

COMMUNITY AND ECONOMY ASSESSMENT (continued)

Section Three: Fill in the blanks.

9. What are the three types of resources? _____

10. The merchandise, skills, and knowledge offered for sale by businesses or citizens are called _____

_____.

11. Payments that citizens are required to make to government are called _____

_____.

12. In a free enterprise economy, _____ make the decisions about what they will sell.

13. The exchange of goods and services is called _____.

14. Give one example of a citizen's responsibility to his or her community.

_____.

15. Why do people and businesses pay taxes?

_____.