

## 24 Multiple choice questions

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1. items produced for the immediate satisfaction of the individual and community needs and wants
  - a. consumer goods and services
  - b. labour resources
  - c. capital resources
  - d. consumer sovereignty
  
2. the interaction of demand for and supply of the outputs of production
  - a. injections
  - b. product market
  - c. price mechanism
  - d. factor market
  
3. the total market value of all final goods and services produced in an economy over a period of time
  - a. factors of production
  - b. gross domestic product (GDP)
  - c. economic growth
  - d. human development index (HDI)
  
4. the items that remove money from the circular flow of income, decreasing aggregate income and the general level of economic activity; these include savings, taxation and imports
  - a. recession
  - b. merit goods
  - c. injections
  - d. leakages
  
5. the cost of satisfying one want over an alternative want
  - a. opportunity cost
  - b. competition
  - c. product market
  - d. merit goods
  
6. human-made goods that are used to produce other goods and services, such as plant, machinery and equipment
  - a. capital resources
  - b. labour resources
  - c. capital goods
  - d. natural resources

7. the manner in which consumers, collectively through market demand, determine what is produced and the quantity of production
  - a. economic growth
  - b. consumer goods and services
  - c. consumer sovereignty
  - d. labour resources
  
8. the process by which the forces of supply and demand interact to determine the market price at which goods and services are sold, and the quantity produced
  - a. price mechanism
  - b. injections
  - c. mixed economy
  - d. product market
  
9. fluctuations in the level of economic growth due to either domestic or international factors
  - a. recession
  - b. mixed economy
  - c. labour resources
  - d. business cycle
  
10. the physical and mental capacities of people that are used to produce goods and services
  - a. capital resources
  - b. natural resources
  - c. labour resources
  - d. factor market
  
11. the resources provided by nature that are used to produce goods and services
  - a. natural resources
  - b. capital goods
  - c. labour resources
  - d. capital resources
  
12. flows of money that increase aggregate income and the general level of economic activity; these include investment, government spending and exports
  - a. competition
  - b. recession
  - c. injections
  - d. leakages

13. the stage of the business cycle where there is decreasing economic activity, defined as two consecutive quarters of negative economic growth
  - a. recession
  - b. leakages
  - c. injections
  - d. competition
  
14. where there is an increase in real GDP
  - a. product market
  - b. capital goods
  - c. merit goods
  - d. economic growth
  
15. a market for any input into the production process, including land, labour, capital and enterprise
  - a. factor market
  - b. labour resources
  - c. product market
  - d. capital goods
  
16. an economic system where the decisions concerning production and distribution are made by a combination of market forces and government decisions
  - a. mixed economy
  - b. injections
  - c. recession
  - d. merit goods
  
17. when the sum of all the leakages is equal to the sum of all the injections in an economy
  - a. equilibrium
  - b. competition
  - c. recession
  - d. merit goods
  
18. the way in which an economy's income is spread among the members of different social and socio-economic groups
  - a. opportunity cost
  - b. merit goods
  - c. distribution of income
  - d. business cycle

19. a measure of economic development devised by the United Nations Development Program; takes into account life expectancy at birth, levels of educational attainment and material living standards
  - a. gross domestic product (GDP)
  - b. mixed economy
  - c. human development index (HDI)
  - d. economic growth
  
20. goods that are not produced in sufficient quantity by the private sector because private individuals do not place sufficient value on those goods
  - a. merit goods
  - b. leakages
  - c. capital goods
  - d. competition
  
21. a graphical representation of all the possible combinations of the production of two goods or services that the economy can produce at any given time
  - a. production possibility frontier
  - b. product market
  - c. economic growth
  - d. opportunity cost
  
22. any resources that can be used in the production of goods and services; these include natural resources, capital, labour and enterprise
  - a. factor market
  - b. factors of production
  - c. competition
  - d. economic growth
  
23. the pressure on business firms in a market economy to lower prices or improve the quality of output to increase their sales of goods and services to consumers
  - a. merit goods
  - b. injections
  - c. competition
  - d. recession
  
24. items that have not been produced for immediate consumption but will be used for the production of other goods
  - a. competition
  - b. capital goods
  - c. capital resources
  - d. merit goods

