

Name: _____

Business Foundations
Chapter 2 Test

Matching – Vocabulary

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|----|---------------------------------|---|
| 1 | _____ Scarcity | A. The raw materials found in nature |
| 2 | _____ Factors of production | B. Buildings, material, and equipment used to produce goods and services |
| 3 | _____ Natural Resources | C. Society's shortage of resources |
| 4 | _____ Human Resources | D. Economic decision are made in the market place according to the laws of supply and demand |
| 5 | _____ Capital Resources | E. The initiative to improve goods and services or create new ones. |
| 6 | _____ Entrepreneurial Resources | F. A system in which a central authority such as the state makes the key economic decisions |
| 7 | _____ Economics | G. The knowledge, efforts, and skills people bring to their work. |
| 8 | _____ Market Economy | H. The economic resources used to produce goods and services |
| 9 | _____ Demand | I. The amount of goods and services that consumers are willing to buy at various prices |
| 10 | _____ Supply | J. A combination of command and market economy |
| 11 | _____ Equilibrium price | K. The amount of goods and services that producers will provide at various prices |
| 12 | _____ Command economy | L. The study of how society chooses to use resources to produce and distribute goods and services for people's consumption. |
| 13 | _____ Mixed economy | M. The price at which the amount of goods producers supply meets the amount of goods consumers demand |

Multiple Choice:

1. What is a shortage of resources called?
- profit
 - natural resources
 - scarcity
 - factors of production

2. What are the means to produce goods and services called?
 - a. standard of living
 - b. economics
 - c. intangible desires
 - d. factors of production
3. What are limited resources called?
 - a. renewable
 - b. market demand
 - c. supply
 - d. nonrenewable
4. What are unlimited resources called?
 - a. renewable
 - b. market demand
 - c. supply
 - d. nonrenewable
5. What type of resource are teachers, coal miners, bank managers, and farm workers?
 - a. capital resources
 - b. human resources
 - c. natural resources
 - d. entrepreneurial resources

Short answer:

What resource problem is faced by all societies?

What are the four main economic resources?

Name the two types of natural resources and give an example of each.

What is the key to dealing with the problem of scarcity?

Explain what type of economy the United States has, and provide some examples that makes the United States that type of economy?

***Classify each factors of production in the appropriate resource column. Use a (✓).

	Natural Resources	Human Resources	Capital Resources	Entrepreneurial Resources
Tree				
Office Building				
Water				
Magazine Publisher				
Teacher				
Oil rig				
Corporate manager				
Fish				
Bus driver				
Automated Teller machine				
Small business owner				
Tractor				
Construction worker				
Printing press				
Fertile Land				
Henry Ford				
Farmer				