

CHAPTER 3 Economic Activity in a Changing World

Key Concepts: Multiple Choice

DIRECTIONS: Circle the letter for the word or phrase that best completes each sentence.

1. The _____ was a record period of prosperity in the United States.
 - a. 1930s
 - b. 1940s
 - c. 1970s
 - d. 1990s
2. The total value of goods and services produced in a country in a given year is called its _____.
 - a. gross domestic product
 - b. standard of living
 - c. budget surplus
 - d. budget deficit
3. The national debt is the total amount of money the government _____.
 - a. spends
 - b. borrows
 - c. lends
 - d. owes
4. The four stages of the business cycle are _____.
 - a. recession, inflation, deflation, and recovery
 - b. peak, recession, depression, and recovery
 - c. deficit, recession, depression, and surplus
 - d. surplus, recession, depression, and recovery
5. When a recession spreads from one industry to other industries it's called _____.
 - a. the domino theory
 - b. the Great Depression
 - c. the ripple effect
 - d. hyperinflation