

Economics: Principles in Action, chapter 1 – 19 Questions

9 Matching Questions

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|---|--|
| 1. Why is physical capital important? | a It saves people and companies money (ex: buildings protect people, tools help you work faster) |
| 2. needs | b They use their schooling to provide services |
| 3. labor | c natural resources that are used to make goods and services |
| 4. production possibilities frontier | d actions or activities one person performs for another |
| 5. goods | e essentials for living (food, shelter) |
| 6. Goods are | f physical objects (shoes and shirts) |
| 7. Services are... | g the effort that people devote to a task for which they are paid |
| 8. How are doctors an example of human capital? | h lines of a production possibilities graph that shows maximum possible output |
| 9. land | i physical objects |

10 Multiple Choice Questions

- ambitious leader who combines land, labor, and capital to create and market new goods and services
 - needs
 - entrepreneur
 - efficiency
 - trade-off
- to an economist, the alternative that is given up because of a decision
 - land
 - wants
 - want
 - cost
- a phrase that refers to the trade-offs that nations face when choosing whether to produce more, or less military or consumer goods
 - Goods are
 - shortage
 - cost
 - guns of butter
- land, labor, and capital: the three groups of resources that are used to make all goods and services
 - underutilization
 - guns of butter
 - Natural resources
 - factors of production
- an alternative that we sacrifice when we make a decision
 - Goods are
 - need
 - labor
 - trade-off
- capital (physical capital)

- a. repairing a tv is an example of which F.O.P.?
- b. land for farming is an example of which F.O.P.?
- c. medical aid from a doctor is an example of which F.O.P.?
- d. Buildings are examples of which F.O.P.?

7. an item that we desire but is not essential for survival

- a. cost
- b. wants
- c. land
- d. want

8. something that is necessary for survival

- a. needs
- b. land
- c. need
- d. want

9. land

- a. medical aid from a doctor is an example of which F.O.P.?
- b. repairing a tv is an example of which F.O.P.?
- c. land for farming is an example of which F.O.P.?
- d. Buildings are examples of which F.O.P.?

10. materials found in nature

- a. trade-off
- b. entrepreneur
- c. Natural resources
- d. services