

1. The English word that comes from the Greek word for "one who manages a household" is

- a. market.
- b. consumer.
- c. producer.
- d. economy.

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking

KEYWORDS: BLOOM'S: Knowledge

CUSTOM ID: 001.01.0 - MC - MANK08

2. The word "economy" comes from the Greek word *oikonomos*, which means

- a. "environment."
- b. "production."
- c. "one who manages a household."
- d. "one who makes decisions."

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking

KEYWORDS: BLOOM'S: Knowledge

CUSTOM ID: 002.01.0 - MC - MANK08

3. Resources are

- a. scarce for households but plentiful for economies.
- b. plentiful for households but scarce for economies.
- c. scarce for households and scarce for economies.
- d. plentiful for households and plentiful for economies.

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 003.01.0 - MC - MANK08

4. In considering how to allocate its scarce resources among its various members, a household considers

- a. each member's abilities.
- b. each member's efforts.
- c. each member's desires.
- d. All of the above are correct.

ANSWER: d

DIFFICULTY: Easy
LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.
TOPICS: Economic thinking
Scarcity
KEYWORDS: BLOOM'S: Comprehension
CUSTOM ID: 004.01.0 - MC - MANK08

5. Fundamentally, economics deals with

- a. scarcity.
- b. money.
- c. poverty.
- d. banking.

ANSWER: a

DIFFICULTY: Easy
LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.
TOPICS: Economic thinking
Scarcity
KEYWORDS: BLOOM'S: Knowledge
CUSTOM ID: 005.01.0 - MC - MANK08

6. Which of the following is correct?

- a. The word economy comes from the Greek word for “rational thinker.”
- b. Economists study the management of scarce resources.
- c. Because economists believe that people pursue their best interests, they are not interested in how people interact.
- d. All of the above are correct.

ANSWER: b

DIFFICULTY: Easy
LEARNING OBJECTIVES: ECON.MANK.024 - Classify the different functions an economist may serve.
TOPICS: Economic thinking
Scarcity
KEYWORDS: BLOOM'S: Knowledge
CUSTOM ID: 006.01.0 - MC - MANK08

7. The overriding reason why households and societies face many decisions is that

- a. resources are scarce.
- b. goods and services are not scarce.
- c. incomes fluctuate with business cycles.
- d. people, by nature, tend to disagree.

ANSWER: a

DIFFICULTY: Moderate
LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.
TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 007.01.0 - MC - MANK08

8. A society allocates its *scarce resources* to various uses. These scarce resources include

- a. land.
- b. people.
- c. machines.
- d. All of the above are correct.

ANSWER: d

DIFFICULTY: Moderate

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 008.01.0 - MC - MANK08

9. The phenomenon of *scarcity* stems from the fact that

- a. most economies' production methods are not very good.
- b. in most economies, wealthy people consume disproportionate quantities of goods and services.
- c. governments restrict production of too many goods and services.
- d. resources are limited.

ANSWER: d

DIFFICULTY: Moderate

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 009.01.0 - MC - MANK08

10. Approximately what percentage of the world's economies experience scarcity?

- a. 10%
- b. 40%
- c. 85%
- d. 100%

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 010.01.0 - MC - MANK08

11. When a society cannot produce all the goods and services people wish to have, the economy is experiencing

- a. scarcity.

- b. surpluses.
- c. inefficiencies.
- d. inequalities.

ANSWER: a

DIFFICULTY: Moderate

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 011.01.0 - MC - MANK08

12. Which of the following products would be considered scarce?

- a. bread
- b. baseballs autographed by Babe Ruth
- c. motorcycles
- d. All of the above are correct.

ANSWER: d

DIFFICULTY: Moderate

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 012.01.0 - MC - MANK08

13. In the broadest sense, economics is the study of

- a. production methods.
- b. how society manages its scarce resources.
- c. how households decide who performs which tasks.
- d. the interaction of business and government.

ANSWER: b

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Knowledge

CUSTOM ID: 013.01.0 - MC - MANK08

14. The study of how society manages its scarce resources is most closely associated with which field of study?

- a. environmental studies
- b. economics
- c. management
- d. accounting

ANSWER: b

DIFFICULTY: Easy

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TOPICS: Economic thinking
Scarcity
KEYWORDS: BLOOM'S: Knowledge
CUSTOM ID: 014.01.0 - MC - MANK08

15. In most societies, resources are allocated by
- a single central planner.
 - a small number of central planners.
 - those firms that use resources to provide goods and services.
 - the combined actions of millions of households and firms.

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Economic systems

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 015.01.0 - MC - MANK08

16. Coal is considered to be a non-renewable energy source. Which of the following statements is correct?

- Coal is an unlimited resource.
- Coal is a scarce resource.
- Coal is a non-scarce resource.
- Coal is not a resource.

ANSWER: b

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Application

CUSTOM ID: 016.01.0 - MC - MANK08

17. Which of the following is *not* an example of scarcity?

- Only some people can afford to buy a BMW automobile.
- Every individual in society cannot attain the highest standard of living to which he or she might aspire.
- Miranda has more oranges in her orchard than she will ever use.
- Each member of a household cannot get everything he or she wants.

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Application

CUSTOM ID: 017.01.0 - MC - MANK08

18. Economics is the study of how society manages its
- a. limited wants and unlimited resources.
 - b. unlimited wants and unlimited resources.
 - c. limited wants and limited resources.
 - d. unlimited wants and limited resources.

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.

TOPICS: Economic thinking
Scarcity

KEYWORDS: BLOOM'S: Knowledge

CUSTOM ID: 018.01.0 - MC - MANK08

19. Which of the following is a decision that economists study?
- a. how much people work
 - b. what people buy
 - c. how much money people save
 - d. All of the above are correct.

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: ECON.MANK.024 - Classify the different functions an economist may serve.

TOPICS: Economic thinking

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 019.01.0 - MC - MANK08

20. Which of the following is an example of something economists study?
- a. Mitch chooses to work overtime to earn extra income for his family.
 - b. Megan sells her physics textbook from last semester to her roommate for half the price of a new textbook.
 - c. The unemployment rate in the United States has fallen by two percentage points in the last few years.
 - d. All of the above are correct.

ANSWER: d

DIFFICULTY: Moderate

LEARNING OBJECTIVES: ECON.MANK.024 - Classify the different functions an economist may serve.

TOPICS: Economic thinking

KEYWORDS: BLOOM'S: Comprehension

CUSTOM ID: 020.01.0 - MC - MANK08

21. What term refers to the idea that society has limited resources and therefore cannot produce all the goods and services people wish to have?
- a. inefficiency
 - b. inequality
 - c. scarcity
 - d. market failure

ANSWER: c
DIFFICULTY: Easy
LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.
TOPICS: Economic thinking
Scarcity
KEYWORDS: BLOOM'S: Knowledge
CUSTOM ID: 021.01.0 - MC - MANK08

22. Which of the following is a subject that economists study?
- a. the growth in average income
 - b. the fraction of the population that cannot find work
 - c. the rate at which prices are rising
 - d. All of the above are correct.

ANSWER: d
DIFFICULTY: Easy
LEARNING OBJECTIVES: ECON.MANK.024 - Classify the different functions an economist may serve.
TOPICS: Economic thinking
KEYWORDS: BLOOM'S: Comprehension
CUSTOM ID: 022.01.0 - MC - MANK08

23. A variety of fuels can be used to generate electricity. Considering only the availability of the fuel and not the cost of converting it into electricity, which of the following fuels is most scarce?
- a. wind power
 - b. solar energy
 - c. fossil fuel
 - d. hydro-power

ANSWER: c
DIFFICULTY: Easy
LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.
TOPICS: Scarcity
KEYWORDS: BLOOM'S: Application
CUSTOM ID: 023.01.0 - MC - MANK08

24. Which of the following is not subject to scarcity?
- a. water
 - b. steel
 - c. diamonds
 - d. none of the above

ANSWER: d
DIFFICULTY: Moderate
LEARNING OBJECTIVES: ECON.MANK.012 - Apply basic, economic principles of individual decision making that determine how an economy generally works.
TOPICS: Scarcity
KEYWORDS: BLOOM'S: Application

