

Chapter 5.1 - 5.2 Quiz

February 11, 2008

Name: _____

1. Signs used by consumers and producers to determine how much of a good to buy or sell at a given price and time is called

2. What is the difference between a durable good and a non-durable good? Give one example of each.

3. Which statement is true about black markets?

- a. Black markets exist when the government wants to sell excess supplies
- b. Black markets exist when people want to buy highly expensive items that are imported
- c. Black markets exist because there is an opportunity to make profits

4. Who said "Some see private enterprise as a predatory target to be shot, others as a cow to be milked, but few are those who see it as a sturdy horse pulling the wagon"?

5. The difference between FREE MARKET economy and COMMAND economy is how much of the economy is run by the private sector and how much is run by the public sector. Which economy is run by which sector?

Free market economy _____

Command economy _____

6. Name at least 2 countries that practice Command economy?

7. . In a free market economy what keeps the consumer prices low?

- a. competition
- b. elasticity
- c. technology
- d. demand