

# Introduction to Business

## Chapter 1: Basic Economic Concepts

### Chapter Practice Review Quiz

Name: \_\_\_\_\_

1. What drives the economy?
  - A. goods and services
  - B. wants and needs
  - C. resources
  - D. consumers
  
2. Which is NOT true of public wants?
  - A. They are widely shared by many.
  - B. Government satisfies public wants.
  - C. They are often considered private.
  - D. Examples include highways and parks.
  
3. Which is a name for items people can use to make or obtain what they need or want?
  - A. resources
  - B. goods
  - C. services
  - D. products
  
4. Which is true of resources?
  - A. Resources are unlimited.
  - B. Businesses and governments lack resources.
  - C. Insurance and tourism are examples of resources.
  - D. Resources are limited.
  
5. What should you do before making a decision?
  - A. Determine the pros and cons of alternatives.
  - B. Satisfy your needs and wants.
  - C. Think of another decision you have made.
  - D. Make the best use of limited resources.
  
6. Which question would best help you evaluate a decision after you put it into effect?
  - A. What resources are available to me?
  - B. What are my needs and wants?
  - C. Would I make the same choice again?
  - D. What is the problem and what are my options?
  
7. Which is true of both personal and business decisions?
  - A. They should be made independently.
  - B. They should be made without regard for consequences.
  - C. They should consume the most resources available.
  - D. They should be consistent with values and goals.
  
8. What is a commercial activity that seeks profit by providing goods in exchange for money?
  - A. profit
  - B. market research
  - C. competition
  - D. a business
  
9. What is profit?
  - A. commercial activity
  - B. motivation and wealth
  - C. money remaining after costs have been paid
  - D. an opportunity to earn a better living

# Introduction to Business

## Chapter 1: Basic Economic Concepts

### Chapter Practice Review Quiz

10. Which is NOT true of businesses?
- A. They pay taxes and provide jobs.
  - B. The wealth they create benefits the entire community.
  - C. They are rewarded with profits by satisfying consumers.
  - D. They can survive without profits.
11. What is competition?
- A. a contest to win customers
  - B. the freedom to produce new products
  - C. voluntary exchange
  - D. inexpensive goods and services
12. Which is NOT something a competitive business needs to offer?
- A. quality products
  - B. discontinued goods
  - C. outstanding service
  - D. good prices
13. What must a business do when developing new products or services?
- A. evaluate demand
  - B. lend money
  - C. pay taxes
  - D. focus on customer service
14. What is one result of effective market research?
- A. immediate access to global markets
  - B. immediate access to start-up capital
  - C. information that helps a business identify opportunities
  - D. improved production management
15. What might a business do if its products don't meet consumer's needs?
- A. consider bankruptcy
  - B. start a new business
  - C. try new selling techniques
  - D. modify its products to satisfy consumers