

Introduction to Business

Chapter 3: Economic Activity in a Changing World

Chapter Quiz

Which is the current emphasis in the U.S. economy?

- A. agriculture
- B. TikTok
- C. information
- D. industry

When did the Industrial Revolution lead to the industry-based economy?

- A. 1700s
- B. 1600s
- C. 1900s
- D. 1800s

Which is an indicator of a country's economic health?

- A. GDP and BTC
- B. standard of living and inflation
- C. environmental awareness
- D. inflation and flux capacitor

Which is considered an indicator of a higher standard of living?

- A. increasing availability of goods
- B. decreasing availability of goods
- C. increasing availability of social media
- D. decreasing purchase of luxury goods

What should happen to unemployment if the economy is picking up?

- A. It increases.
- B. It stays the same.
- C. It reverts to previous levels.
- D. It goes down.

Which is NOT a cause of inflation?

- A. increased defense spending for a war
- B. increased supply of goods in excess of demand
- C. increased taxation
- D. increased production costs

What is the main source of income for governments?

- A. budget surplus
- B. education
- C. income taxes
- D. Social Security

Which term applies when a government makes more money than it spends in a year?

- A. budget surplus
- B. national debt
- C. budget deficit
- D. revenue

Which is a job that the Federal Reserve does?

- A. passes laws about tax policies
- B. controls house and senate financials
- C. sets interest rates
- D. controls security

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Chapter Practice Review Quiz

10. In the business cycle, what generally comes after a period of depression?
- A. prosperity
 - B. recession
 - C. recovery
 - D. none of the above
11. What is another term for a period of economic prosperity?
- A. downturn
 - B. peak
 - C. decline
 - D. ebb and flow
12. Which is true of a recession?
- A. businesses prosper
 - B. wages are higher
 - C. new businesses open
 - D. production goes down
13. What is another term for *depression*?
- A. decline
 - B. Black Tuesday
 - C. bank holiday
 - D. deep recession
14. Which would characterize a depression?
- A. better income tax refunds
 - B. low wages and high unemployment
 - C. more goods and services produced
 - D. increased capacity in manufacturing plants
15. Which would help during a period of recovery?
- A. Black Tuesday
 - B. deep recession
 - C. business closures
 - D. increased consumer purchasing