

SS7E1 a.

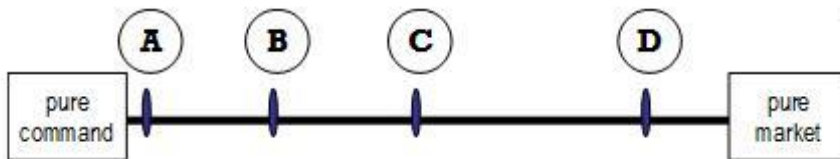
1.) What type of economic system is described?

- A.) Command
- B.) Mixed
- C.) Market
- D.) Traditional

- Producers and consumers own the factors of production
- Custom and habit answer the question of who, what and how to produce
- Outside trade and commerce is discouraged
- Roles within the community are defined by custom and gender

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2.)



In the country of Juanito, most economic decisions are made based on supply and demand. Businesses are motivated by profits, and competition determines prices. There is a small amount of government regulation, but consumers usually have a great deal of choice. Where would this country be positioned on the economic continuum found above?

- A. Point A
- B. Point B
- C. Point C
- D. Point D

SS7E1 c.

3.) Where does this description put South Africa on a continuum between pure market and pure command?

South Africa makes it easy for entrepreneurs to open their own businesses. People get to choose their careers and they have a choice of a variety of consumer goods. However, the government does set limits on some imported goods and they do impose trade barriers against other trading partners. Still, South Africa has a wide range of natural resources extraction companies and an abundance of natural resources.

- A.) Pure market economy
- B.) Almost all command economy
- C.) More market than command economy
- D.) More command than market economy

SS7E2- a

4.) How might specialization encourage trade?

- A.) One nation will sell its specialty to others only if they do not compete.
- B.) Nations stop using products from other nations to support their own economies.
- C.) Nations agree to work together to make it easier for them to make expensive items.
- D.) Each nation will focus resources on its specialty, forcing it to buy other products from other nations.

SS7E1 c.

5.) If Nigeria has a economic freedom number of 57.3, South Africa has a freedom number of 58.3, and Kenya has a freedom number of 55.1, which one is considered least free for citizens to engage in the economy?

- A.) Kenya
- B.) Nigeria
- C.) South Africa

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6.) Assume South Africa limits diamond imports to no more than 21.1% of total diamond related GDP. Which term describes this type of trade barrier?

- A. tariff
- B. quota
- C. embargo
- D. subsidy

SS7E3 a.

7.) What would MOST LIKELY happen to the standard of living in African countries did less to improve their literacy rates?

- A. It would decrease.
- B. It would not change.
- C. There is no relationship between the two.
- D. It would increase.

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8.) If a country were to increase the amount of their investment into human capital like more education and training, how would this effect the GDP?

- A. Countries with a high level of education and training have a higher gross domestic product.
- B. Gross domestic product only deals with the amount of investment in factories and machinery.
- C. The role of entrepreneurs is the only factor affecting gross domestic product.
- D. There is no relationship between education and training and gross domestic product.

SS7E3 d.

9.) Although some countries have an abundance of natural resources, a great number of people live in poverty. Why is this true?

- A. There are no educated people in either of these countries to raise the standard of living.
- B. Government instability in general and leaders have failed to use natural resources to benefit all citizens.
- C. Natural resources do not offer any value to a country and it will not impact their GDP.
- D. People choose to live in poverty because they choose to not have access to water or other natural resources.

SS7E3 e.

10.) A woman brings together capital, natural, and human resources to start a custom furniture business. This is an example of

- A. a natural resource
- B. a capital good
- C. human capital
- D. entrepreneurship