Herschel's Test of Economics

(Covering Concepts in the Herschel's World of Economics Curriculum)

Directions: Choose the <u>best</u> answers to the questions below.

- 1. Which of the following is **not** an <u>economic want</u>?
- a. trash
- b. doggie treats
- c. a video game
- d. a mechanic fixing a car
- 2. Which is an example of an economic good?
- a. a haircut
- b. a bicycle
- c. walking the dog
- d. a good grade at school
- 3. What is an example of a service?
- a. a rock
- b. a new shirt
- c. a gift you receive
- d. someone mowing your lawn
- 4. What do most people use to get goods and services?
- a. income
- b. consumption
- c. opportunity costs
- d. economic wants
- 5. A person who makes something is:
- a. a producer.
- b. a consumer.
- c. a capital resource.
- d. a natural resource.
- 6. How do most people get goods or services?
- a. by asking
- b. by working
- c. by going to school
- d. by playing with friends

- 7. Productive resources help us to:
- a. find goods and services.
- b. consume goods and services.
- c. produce goods and services.
- d. specialize in goods and services.
- 8. Which of the following is an example of a capital resource?
- a. gold
- b. water
- c. a hammer
- d. a worker
- 9. What is an example of a natural resource?
- a. land
- b. a hammer
- c. a worker
- d. a tractor

10. Mr. Jones works in a factory. He is an example of a:

- a. capital resource.
- b. natural resource.
- c. human resource.
- d. trading resource.
- 11. In economics, something is scarce when:
- a. no one wants it.
- b. you can get it at a low cost.
- c. everyone has what he or she wants.
- d. there is not enough for everyone to have all that they want.
- 12. Herschel traded a doggie treat to Spot for a bone. What is true about the trade?
- a. Herschel gained but Spot lost.
- b. Spot gained but Herschel lost.
- c. Both Herschel and Spot lost.
- d. Both Herschel and Spot gained.
- 13. Money is very helpful and important in our economy because it:
- a. is difficult to earn.
- b. helps people to trade.
- c. can be traded for gold.
- d. is expensive to produce.

14. Which of the following is not an important characteristic of money?

- a. scarce
- b. durable
- c. portable
- d. expensive

15. Which of the following is not true?

- a. Money should be scarce.
- b. Money helps people to trade.
- c. Money should be colorful.
- d. Money should be portable.

16. Herschel wants to put a lot of things in his doghouse – a couch, a TV, a bookcase, and a chair. But he doesn't have enough <u>space</u> for all of these things! Herschel is facing a problem of:

- a. saving.
- b. scarcity.
- c. production.
- d. specialization.

17. At the store, Herschel wants to buy a magazine <u>and</u> some candy. But he doesn't have enough money to buy both! If he decides to buy the magazine, what is his <u>opportunity cost</u>?

- a. the candy
- b. the magazine
- c. the candy and the magazine
- d. the price of the magazine

18. Suppose Herschel wants to produce doggie treats <u>and</u> cookies. He doesn't have enough time or productive resources to produce both. He decides to produce doggie treats. The <u>opportunity cost</u> of producing doggie treats is:

- a. the price of the cookies.
- b. the cookies that he now cannot produce.
- c. the price of the molasses he uses to produce doggie treats.
- d. the cost of paying his friends to produce doggie treats.

19. What do we call it when people trade without using money?

- a. barter
- b. production
- c. specialization
- d. interdependence

20. When Herschel learned how to produce doggie treats, he was increasing his:

- a. opportunity costs.
- b. human capital.
- c. money exchange.
- d. production costs