



# UNIT 1:

## FURTHER PRACTICE



### 1.3.1 Match a line in A with a line in B to complete the sentences

**A**

1. Business firms must determine what, how, and for whom
2. Individual households try to
3. No economic model records every detail and relationship
4. People respond to lower prices may
5. People respond to higher prices may
6. Economic resources are the things that go into

**B**

- a. purchase more or less expensive items.
- b. purchase less of more expensive items.
- c. the making of goods and services.
- d. before produce goods or services.
- e. maximize their own utility.
- f. that exists about a problem to be studied.

### 1.3.2 Choose the correct answer among A, B, C or D

Understanding about “what, how and for whom” in the text (from sentence 1-3)

1. “What” refers to .....
 

A. what business should purchase	B. What services business should set up
C. what goods business should produce	D. B&C are right
2. “How” refers to .....
 

A. The way to produce and distribute goods	B. the way to advertisement
B. The way producing goods	D. All are incorrect
3. “For whom” refers to .....
 

A. Customers	B. consumers
C. buyers	D. All of them are correct
4. There are ..... types of coordination mechanisms
 

A. 1	B. 2
C. 3	D. 4.
5. An economist has ... ways of presenting an economic model.
 

A. 1	B. 2
C. 3	D. 4
6. Economists use ..... to present an economic model.
 

A. words	B. a graph
C. mathematical equation	D. All are correct.
7. The two main parts of the economy are: decision makers and .....
 

A. the government	B. the economists
C. coordination mechanisms	D. All of them are right.
8. The US economy is a ..... economy.
 

A. fixed	B. market
C. mixed	D. simple



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### 3. Fill in the gaps.

1. The economy is a mechanism that allocates scarce resources among competing uses, determining ..... the various goods and services will be produced.
2. The economy's working parts are divided into two categories:
3. Two types of coordination mechanisms are .....
4. Economic decision makers are :
5. ..... decide how much of their factors of production to sell to firms and government.
6. ..... decide how to maximize the general welfare by using available resources.
7. ..... must decide how to use their limited resources best to maximize profits or public welfare.
8. Households, business firms and governments are considered to be the ..... in the economy.
9. The scarcity problem that is ..... to all economic decisions.
10. The U.S economy is therefore a ..... economy.



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4. Complete the chart below with the suitable words/ phrases.

