

Indicate the reference of the pronouns circled.

- 1- Economics is not about the financial state of individuals. **It** is about the well-being of the society.
 - a. State
 - b. Economics
 - c. Society
- 2- Economics studies relations between industry and commerce, work and pay, causes and effects of prices, and how **these** affect the allocation of scarce resources.
 - a. Relations
 - b. Economics
 - c. Prices
- 3- Japan and Switzerland are countries with high standards of living and **their** economies are adapted to the allocation and use of the scarce resources that they have or that they can purchase from other countries.
 - a. Standards
 - b. Resources
 - c. Japan and Switzerland
- 4- Japan and Switzerland are countries with high standards of living and their economies are adapted to the allocation and use of the scarce resources that **they** have or that they can purchase from other countries.
 - a. Resources
 - b. Japan and Switzerland
 - c. Standards
- 5- Water can be used to produce ice or steam by **itself**, or innumerable compounds in combination with other things.
 - a. Water
 - b. Combination
 - c. Things
- 6- One of the best ways of understanding the role of prices is by understanding what happens when **they** are not permitted to fluctuate in the market.
 - a. Ways
 - b. Market
 - c. Prices
- 7- Many people want a house in front of the beach, but the price is not the obstacle. The reality is that the houses in front of the beach are scarce. Consequently, **they** become very expensive because of supply and demand.
 - a. People
 - b. Houses
 - c. Supply and demand