

Name: _____ Grade: _____ Date: _____

Economic Systems

Multiple Choice

Instruction: Read each question carefully. Answer ALL questions. Choose from the A, B, C, D options the ONE answer that is correct. Type the letter in the box provided. The marks for each question are placed in brackets below.

1. Which is not a type of economic system?

A Public market economy
B Command
C Free market
D Traditional [1]
2. A company decides to install more machines and lay off workers. Which economic question is addressed directly?

A How to produce
B What to produce
C For whom to produce
D Where to produce [1]
3. There is little or no control in a/an _____ economy.

A Traditional
B Mixed
C Free Market
D Command [1]
4. Which feature is a characteristic of a market economy?

A. Government planning plays a key role in the economy
B. Market forces determine how resources are allocated.
C. One in which there is both an agricultural and a manufacturing sector
D. One in which there is both a private and a public sector [1]
5. Which of these is one of the main economic questions each country faces?

A. How large should its military forces be?
B. How much should be earned in taxes?
C. What goods and services should be produced?
D. How many schools should be built?

[1]

6. Competition and self-interest are two important factors in
- A. Free Market economies
 - B. Traditional economies
 - C. Centrally Planned economies
 - D. Communist economies
- [1]
7. Markets allow us to:
- A. Get the highest prices for what we sell.
 - B. Get the lowest prices for what we buy.
 - C. Sell the most goods we can.
 - D. Exchange the things we have for the things we need.
- [1]
8. What are the three questions faced by all economies?
- A. What to produce, when to produce it and who receives it
 - B. What to produce, how to produce it and who receives it
 - C. Where to produce, how to produce and when to produce
 - D. Where to produce, when to produce and how to produce
- [1]
9. What is an advantage of a market economy?
- A. An absence of poverty
 - B. Consumer Sovereignty
 - C. Firms having considerable market power
 - D. Full employment
- [1]
10. Which economic regime uses a combination of both the planned economy and the market economy?
- A. Command Economy
 - B. Economic System
 - C. Market Economic System
 - D. Mixed Economy
- [1]
11. Which economic system relies on the government to allocate resources?
- A. Free market economy
 - B. Market economy
 - C. Mixed economy
 - D. Planned economy
- [1]

12. Which term most accurately describes the economic system of The Bahamas?
- A. Laissez- Faire
 - B. Mixed
 - C. Centrally Planned
 - D. Capitalist
- [1]
13. All communities must try to solve three basic economic problems. Which of the following is not one them?
- A. Allocating output
 - B. Deciding on the techniques of production
 - C. Determining what commodities to produce
 - D. Formulating a constitution
- [1]
14. In a free market economy, the most significant force in the distribution of goods and services is the:
- A. Barter System
 - B. Price System
 - C. Public Sector
 - D. State
- [1]
15. The market systems tend to ensure that:
- A. Consumers get the products that the firms want to sell
 - B. Consumers get the products they wish to consume
 - C. Consumers can consume only legal commodities
 - D. Producers set the prices of goods and services
- [1]
16. In what type of economic system does The Bahamas exist?
- A. Free market
 - B. Traditional
 - C. Command
 - D. Mixed
- [1]
17. Which of the following statements cannot be applied to a mixed economy?
- A. Both private firms and the state have an economic role
 - B. Capitalism is regulated by state legislation
 - C. The price mechanism is the only guide to determining consumer wants
 - D. The public and private sectors both play a part in economic decision making.
- [1]

18. Which of these is NOT a type of economic system?

- A. Public market economy
- B. Command
- C. Free Market
- D. Traditional

[1]

19. Earnings less Expenses is equal to

- A. Choice
- B. Price
- C. Chance
- D. Profit

[1]

20. Provision of high quality goods and services is a feature of _____.

- A. Globalization
- B. Decision Making
- C. Price Mechanism
- D. Economic Systems

[1]

Total marks [20]