

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]