



FIRST QUARTERLY ASSESSMENT

APPLIED ECONOMICS 12

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Name: _____

Score: _____ /70

Grade and Section: _____

Date: _____

IMPORTANT REMINDERS: Following instructions is part of the exam. Failure to follow instructions will cause a 5-point-deduction from the total raw score.

I. Classify the following topics. Write MIC if it falls under Microeconomics; MAC, if it is falls under Macroeconomics. (10 points)

- _____ 1. Study consumer preferences, utility theory, and factors influencing consumers' choices, including income and price elasticity.
- _____ 2. Examine different market structures such as perfect competition, monopoly, oligopoly, and monopolistic competition, and their implications for pricing and market behavior.
- _____ 3. Investigate production functions, cost curves, and how firms make production decisions to maximize profits in the short and long run.
- _____ 4. Explore concepts like public goods, externalities, and asymmetric information, and how they lead to market failures and the need for government intervention.
- _____ 5. Explore central banks' roles in controlling the money supply, interest rates, and the effects of these policies on inflation, employment, and economic stability.
- _____ 6. Examine different types of unemployment, such as structural, frictional, and cyclical, and their implications for an economy's overall performance.
- _____ 7. Discuss how government spending, taxation, and budgeting decisions affect the economy, and the role of fiscal policy in managing economic growth and stability.
- _____ 8. Analyze the fundamental forces of supply and demand and how they determine prices and quantities in individual markets.
- _____ 9. Study the causes and consequences of inflation, including its impact on purchasing power, interest rates, and central bank policies like monetary policy.
- _____ 10. Explore the measurement and significance of a country's total economic output, including methods of calculation and its role as an indicator of economic health.

II. Describe the type of economic system characterized in each of the following sentences. (10 points)

_____ 11. North Korea operates as a highly centralized economy, where the government controls all aspects of economic production and distribution, including state-owned enterprises and centralized planning.

_____ 12. Many indigenous tribes in Papua New Guinea still practice subsistence farming, hunting, and gathering. They trade and exchange goods within their communities, adhering to age-old customs and rituals.

_____ 13. Cuba has a economy with most industries owned and controlled by the state. The government sets prices, wages, and production quotas in various sectors, including healthcare and education.

_____ 14. China has a mixed economy with elements of both central planning and market-driven reforms. While it has introduced market-oriented policies, the government maintains significant control in many sectors.

_____ 15. The United States is characterized by private ownership of businesses, competition in markets, and minimal government intervention in terms of production and pricing decisions.

_____ 16. The UK's economy is predominantly market-oriented, with a strong emphasis on private enterprise, free markets, and competition. The government's role is primarily regulatory.

_____ 17. Germany's social market economy combines elements of a market economy with a strong welfare state. It features a competitive market, but with government involvement in areas like social welfare and labor market policies.

_____ 18. The Amish people follow a agricultural economy, relying on farming, craftsmanship, and barter systems, with limited use of modern technology and a strong emphasis on self-sufficiency.

_____ 19. The former Soviet Union was a classic example of a economy, where the government controlled the means of production, distribution, and resource allocation across various sectors of the economy.

_____ 20. Inuit communities relied on hunting, fishing, and gathering activities, where resources like seals, whales, and caribou were shared within the community based on established customs and traditions.

III. Determine whether each statement is true or false by marking 'True' if you believe it to be correct and 'False' if you think it is incorrect. Ensure your selections are clear and final before submitting your exam. (10 points)

_____ 21. The term "scarcity" describes the fundamental economic issue of having insufficient resources to meet everyone's aspirations and requirements. As a result, decisions and trade-offs are required because resources like land, labor, and capital are limited.

_____ 22. Normative Economics is a term used to describe the worth of the next best alternative given up when making a decision. It calculates the price of selecting one option over another while making a decision.

_____ 23. All natural resources employed in the creation of products and services are referred to as "land" in economics. Physical land, minerals, water, and other natural resources are included in this.

_____ 24. In the production of goods and services, capital refers to the physical and mental effort made by humans. It includes the work that individuals undertake, including manual and mental tasks.

_____ 25. All artificial resources employed in production, such as machinery, factories, tools, equipment, and infrastructure, are referred to as capital. In terms of economics, it is distinct from financial capital (money).

_____ 26. The area of economics known as macroeconomics is concerned with studying the economy as a whole. It investigates macroeconomic phenomena like inflation, unemployment, GDP (Gross Domestic Product), and monetary and fiscal policies.

_____ 27. The area of economics known as microeconomics focuses on how markets, firms, and consumers act as individuals. It examines how consumer choices and interactions in particular marketplaces impact costs, availability, and resource allocation.

_____ 28. According to the Law of Supply, when all other factors are equal, demand for a good or service increases as its price falls and vice versa. Price and quantity demanded are inversely related, to put it another way.

_____ 29. An exchange of commodities and services takes place in a demand, which can be a physical or online location. There may be a local or worldwide demand for particular goods or services.

_____ 30. Market refers to the quantity of an item or service that customers are willing and able to buy at various prices throughout a particular time frame. Price, consumer preferences, income, and other variables all have an impact on it.

IV. Make a comic strip that illustrates the so called "Ceteris Paribus" and provides a 3-5 sentence explanation of it (10 points). (31-40)

Rubric:

10 points	The comic strip demonstrates thorough and evident originality and creativity. It is based closely on the given topic with explanation that has relevance to the given topic.
6 points	The comic strip demonstrates originality. Some details in explanation are incomplete.
3 points	The comic strip demonstrates some originality and is based loosely on the given topic.
1 point	The comic strip does not demonstrate originality. The explanation is not based on the given topic.

Make a comic strip that illustrates the Law of Demand and write 3-5 sentences to explain it (10 points). (41-50).

10 points	The comic strip demonstrates thorough and evident originality and creativity. It is based closely on the given topic with explanation that has relevance to the given topic.
6 points	The comic strip demonstrates originality. Some details in explanation are incomplete.
3 points	The comic strip demonstrates some originality and is based loosely on the given topic.
1 point	The comic strip does not demonstrate originality. The explanation is not based on the given topic.

V. Answer the following questions with 3-5 sentences.

51-54. How does the study of applied economics assist students in critically evaluating and understanding the economic implications of government policies, both at the local and national level?

55-58. In what ways can applied economics help students in managing their personal finances effectively during their time in Senior High School?

59-62. How do students perceive the relevance of applied economics in helping them understand and navigate economic inequalities and social issues? Explain.

63-66. How important is the understanding of economic concepts, such as opportunity cost and scarcity, to students in making efficient decisions about their time and resources? Explain.

67-70. Do students view the study of applied economics as a valuable tool for developing critical thinking skills and problem-solving abilities that can be applied to various aspects of their lives? Explain.

God is good! ☺

*** END OF EXAM ***