

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Number: \_\_\_\_\_

Read each passage below and answer the questions that follow.

- 1) What does the term “scarcity” mean?  
A limited supply of something
  
- 2) Faith was hoping to go skating on Friday. She also wanted to attend Family Fun Night. Faith really wants to do both activities but she has to be home by nine o’clock. She’s not sure if she’ll have enough time to do both activities. What’s scarce in this situation?
  
- 3) Abigail wants to go the movies with her friends, Lilly and MaLeah, this weekend. She has ten dollars saved up but the movie costs five dollars, and Abigail really wants to buy a bucket of popcorn and pop too. She checked the price online and to get everything she wants, she’d have to have at least twelve dollars. What’s scarce in this situation?
  
- 4) What does the term “opportunity cost” mean?  
What a consumer chooses to give up in order to get what they want.
  
- 5) Sheyla wanted to buy a pair of shoes that light up. She’ll also wants to buy a new headband for her friend Hannah. After walking around the mall for a little bit, Sheyla decided to buy Hannah a new headband. What was Sheyla’s opportunity cost?
  
- 6) Toney wants to attend the Justin Bieber concert in May. He’ll need at least \$50.00 to attend this event. He also wants to spend the night at a friend’s house that weekend. But, Toney’s mother told him that he could only attend one event, so he chose the Justin Bieber concert. What was Toney’s opportunity cost?
  
- 7) What is a producer? A producer is someone that combines different resources to make a product that people want to use or consume.
  
- 8) A McDonald’s restaurant includes many different resources. These resources include cashiers, cooks, meat, fruit, bread, chairs, tables, and so much more. All of these resources are combined to enhance the consumer’s experience. What would McDonald’s be considered?  
a. A Consumer    b. A Producer    c. A scarcity    d. A Resource
  
- 9) Using the McDonald’s example from question 8, label the following items appropriately.  
a. Natural resources \_\_\_\_\_  
b. Human resources \_\_\_\_\_  
c. Capital resources \_\_\_\_\_
  
- 10) What is a consumer? – A consumer is a person

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- 11) A customer at McDonald's would be considered \_\_\_\_\_.  
a. A Consumer    b. A Producer    c. A scarcity    d. A Resource
- 12) Frank and Reed decided to build a clubhouse. They bought all kinds of supplies like wood, nails, a tape measure, two hammers, a ladder, wood glue, saws, and a few other items. Frank's dad and Reed's grandfather also decided to help them as well. These resources were very helpful but the boys ran into a problem when their dads realized they needed an extra tape measure. If you have a low amount of something than it is considered a \_\_\_\_\_.  
a. large resource    b. plentiful resource    c. limited resource    d. None of the above
- 13) Using the example from question 12, what kind of resource would Frank's dad be an example of?  
a. Natural    b. Capital    c. Human
- 14) Using the example from question 12, what kind of resource would the nails, hammers, and saws be?  
a. Natural    b. Capital    c. Human
- 15) Explain how a business like Burger King requires a lot of interdependence. Make sure that you mention the term "specialize" in your explanation.

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Use the rules for supply and demand to explain each situation.

- 16) The Nintendo Wii used to be one of the hardest systems to buy. People would rush to the store every time a new shipment would arrive. But, now, the system is easy to find and it's only \$90.00. Why is the price of the Nintendo Wii so low? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 17) Most cell phones like the iPhone 5 have stayed at the same price for years. The companies that make these phones have an abundant supply but there hasn't been a drop in the price. Why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 18) California recently had a drought with their orange crop. They just weren't able to produce as many oranges as they normally do year in and year out. Customers are very upset that the price for oranges has gone up. Why did this happen? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Answer each question below.

19) List at least three examples of both goods and services.

a. Goods

b. Services

20) How does the government pay for goods and services they supply like the post office?

21) What does the word “specialize” mean?

22) What is something you specialize in?

23) When a consumer faces scarcity, he or she has to make a \_\_\_\_\_.

24) What does the term “income” mean?

25) Name four powers of the legislative branch.

Make laws, pass taxes, approve treaties, and approve appointments

26) Name four powers of the executive branch.

Enforce laws, manages the government, head of the armed forces, and makes treaties

27) Name two powers of the judicial branch.

Decides if a law is constitutional and explains the meaning of treaties

28) How do the branches of government keep each in other in check?