

# COMMUNITY AND ECONOMY

## Teacher References

### COMMUNITY AND ECONOMY ASSESSMENT

**Section One:** Circle the answer or answers that best apply to the question.

1. Which best describes the circular flow of an economy?
  - a. the flow between businesses and resources
  - b. the exchange of money, goods, and services in an economy
  - c. happens only in a resource market
  - d. happens only in a goods and services market
2. Which is not true of public goods and services?
  - a. shared by everyone—sometimes at the same time
  - b. only given to the needy
  - c. no one is prevented from using them
  - d. are paid for by taxes
3. Which is not a basic economic question faced by an economy?
  - a. what to produce?
  - b. how much profit will be made?
  - c. how to produce?
  - d. for whom to produce?
4. Who pays for public goods and services?
  - a. philanthropists
  - b. taxpayers
  - c. only people who use them
  - d. government

**Section Two:** True or False?

5. A free enterprise economy is a system in which economic decisions are made in markets by consumers and businesses. T F
6. Due to scarcity, people cannot have all of the things they want. T F
7. Businesses produce goods and services for citizens, who in turn supply labor and other resources to the businesses. T F
8. Resources are the goods people buy from business. T F