

Mini Economy Test - for Students

Grades 2-3

For questions 1 – 5, choose one word from the box below that best fits the sentence. I will read each sentence. When I finish reading the sentence, you will write the word on the line to complete the sentence. Hint: You will not use all the words, so don't worry if you have words left over.

good	capital resource	natural resource
service	producer	profit
consumer	market	scarcity

1. A _____ is a place where people buy and sell goods.
2. A person who makes something is a _____.
3. Land is an example of a _____.
4. A person who buys something is a _____.
5. A person who does something for you is providing a _____
6. In your community there are many workers. Circle the worker below who produces a good.



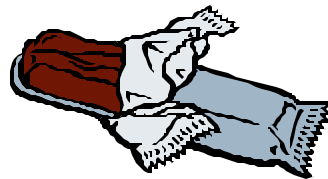
Next, we have some multiple choice questions. I will read the questions and the answers, and you will circle the answer that you think is correct. It is important that you wait until I read the question and ALL the answers before circling the answer you think is correct.

7. What word below describes a capital resource?

- a. gold
- b. water
- c. work
- d. tractor

8. Sally has \$5.00 to buy things at the class store. She really wants to buy a candy bar and a teddy bear, but they each cost \$5. She doesn't have enough money to buy both! Sally is facing a problem of:

- a. saving
- b. scarcity
- c. investing
- d. specialization

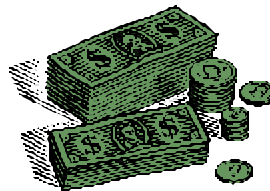


9. In Question 8 above, if Sally decides to buy the teddy bear, what is her opportunity cost?

- a. \$5
- b. \$10
- c. the candy bar
- d. the teddy bear and the candy bar

10. Why is money so important in our economy?

- a. It is difficult to make.
- b. It helps people to trade.
- c. It can be traded for gold.
- d. It is used to produce goods.



11. Mike went to the store and bought milk, a shirt, and a book. These items are an example of his:

- a. economic wants
- b. capital resources
- c. opportunity costs
- d. productive resources

12. For his classroom business, Mario wants to make candles. To make his candles he must get and use:

- a. profits
- b. savings
- c. productive resources
- d. government taxes

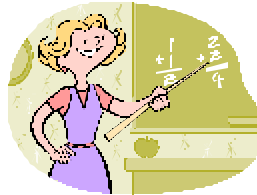


13. In question 12 above, Mario plans to sell each candle for \$10. \$10 is the:

- a. price
- b. good
- c. savings
- d. trade-off

14. In a community, people have different jobs. Some are nurses, some teachers, and some firefighters. These jobs are examples of:

- a. saving
- b. investing
- c. specialization
- d. economic wants



15. Mr. Johnson is the local barber. Mr. Snider runs the car repair shop. When Mr. Johnson's car breaks down, he takes it to Mr. Snider's car repair shop to get it fixed. When Mr. Snider needs a haircut, he goes to Mr. Johnson's barber shop. This is an example of:

- a. scarcity
- b. investing
- c. opportunity cost
- d. interdependence

16. The people who work to provide goods and services are called:

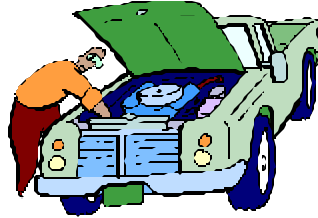
- a. investors
- b. consumers
- c. human resources
- d. capital resources

17. What goods or services below would the local government usually – provide?

- a. roads
- b. shirts
- c. haircuts
- d. computers

18. Mr. King earns money fixing cars. He does not spend all his money, but puts some of his money each week into the bank. This is an example of:

- a. saving
- b. consuming
- c. interdependence
- d. opportunity cost



19. Alex has a lawn care business. He earns money each week mowing lawns. The money he earns is called:

- a. debt
- b. price
- c. income
- d. saving



20. Terri and Sam want to trade with each other. Terri trades two candy bars to Sam for his used kickball. What is true about the trade?

- a. Terri was better off, but Sam lost.
- b. Sam was better off, but Terri lost.
- c. Both Terri and Sam were better off.
- d. Both Terri and Sam lost.