

PLAY DOUGH ECONOMICS

PRE/POST TEST

Lessons 1-9

1. Which item is not a good or *service*?
 - A. Pants
 - B. Pencil
 - C. Garbage
 - D. Haircut
2. Which item is a *service*?
 - A. Book
 - B. Gold
 - C. Dress
 - D. Haircut
3. Businesses provide the goods and services we want by
 - A. Saving them
 - B. Wanting them
 - C. Producing them
 - D. Borrowing them
4. The **three** basic kinds of *productive resources* used to produce a house are:
 - A. Capital resources, money resources, human resources
 - B. Natural resources, human resources, capital resources
 - C. Natural resources, capital resources, government resources
 - D. Money resources, human resources, government resources
5. Which of the following is an example of capital?
 - A. Oil
 - B. Water
 - C. Work
 - D. Tractor
6. In economics, something is *scarce* when:
 - A. No one wants it
 - B. You can get it at no cost
 - C. **Everyone** has what they want
 - D. There is not enough for everyone to have all they want

7. *Opportunity cost* means:
- Your best choice
 - The price of your best choice
 - The price of productive resources
 - The best thing you give up when you choose something
8. At the toy store, there are many things Sam wants to buy. When he chooses a toy to buy, there will:
- Always be an opportunity cost
 - Never be an opportunity cost
 - Sometimes be an opportunity cost
 - Be two opportunity costs
9. With her \$2.00 Sally wants to buy one of these three things: a **book**, a bag of candy, or a belt. Her first choice is the candy, and she buys that. The book was her second choice, and the belt was her third choice. What is the *opportunity cost* of her choice to buy the candy?
- The belt
 - The book
 - The book and the belt
 - The price of the candy
10. Mr. Johnson runs a business. He can produce chairs or windows. He decides to produce chairs. The *opportunity cost* of producing the chairs is:
- The price of the chairs
 - The cost of paying many workers
 - The windows he now cannot produce
 - The price of the wood used to build chairs
11. To be successful a business must:
- Produce goods but not services
 - Produce goods and services using mostly human resources
 - Produce goods and services that consumers want
 - Produce goods and services with a high price
12. Sarah baked some cookies. She traded six cookies to Joe for one of his toy cars. What is true about the trade?
- Sarah gained but Joe lost
 - Joe gained but Sarah lost
 - Both Sarah and Joe gained
 - Both Sarah and Joe lost
13. Money is very important in our economy because it:
- Is difficult to earn
 - Helps people to trade
 - Can be traded for gold
 - Is expensive to produce

14. Alice, Sam, and Susan decided to earn money by making and selling cookies. To make the cookies, they specialized by using an assembly line. Alice mixed the dough, Sam cut the cookies, and Susan baked them. They specialized because they wanted to:
- A. Make more cookies
 - B. Learn many different jobs
 - C. Increase the costs of making cookies
 - D. Increase the price of their cookies
15. What is one of the problems when making cookies by *specializing* on an assembly line?
- A. The cookies will cost more
 - B. Less cookies will be made
 - C. One worker can slow all the production
 - D. Each person has to learn many **types** of jobs
16. Mr. Smith uses only his hands to weed his garden. He decides to buy a hoe to help him weed faster. The hoe will help Mr. Smith increase his:
- A. Human resources
 - B. Demand
 - C. **Productivity**
 - D. Natural resources
17. Farmer Brown uses a hoe to raise corn. He wants to produce more corn so he buys a tractor. This is an example of increasing production by
- A. Working harder
 - B. Increasing demand
 - C. Using better capital resources
 - D. Increasing opportunity costs

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PRE/POST TEST

Lessons 10-15

18. Sally is saving her money to purchase a \$100 bike to use for her paper route. The *opportunity cost* of saving her money is:
- A. The price of the bike -\$100
 - B. Giving up the chance to buy other things now
 - C. The interest she gets at the bank
 - D. The money she will earn later selling papers
19. Eric mows lawns with a push mower to earn money. He has earned \$500. He wants a new expensive racing bike that costs \$500, but decides instead to purchase a riding lawn mower to replace his push mower. Eric is hoping that purchasing the riding lawn mower will:
- A. Increase his production costs
 - B. Raise the price of mowing lawns
 - C. Increase his income in the future
 - D. Raise the demand for lawn mowers

Use the following information to answer questions 20-25

Sarah produces and sells birdhouses for \$10.00 each. She sells three birdhouses each week. It costs her \$8.00 to produce one birdhouse.

20. Sarah learns that the *price* of birdhouses has risen to \$13.00 each. Sarah will probably:
- A. Make something else
 - B. Make fewer birdhouses
 - C. Make more birdhouses
 - D. Make the same number of birdhouses
21. What could have caused the *price* of birdhouses to rise from \$10.00 to 13.00?
- A. Fewer birdhouses produced in the market
 - B. Fewer people wanting birdhouses
 - C. Fewer people buying birdseed
 - D. Fewer people having opportunity costs
22. Sarah would most likely want the demand for her birdhouses to:
- A. Increase
 - B. Decrease
 - C. Stay the same
 - D. Decrease then increase

23. Which of the following would probably **increase** the *demand* for Sarah's birdhouses?
- Many people losing their jobs
 - A successful** advertising program
 - An increase in the price of birdhouses
 - Many people preferring to buy other things besides birdhouses
24. How much *profit* does Sarah make when she sells one birdhouse for \$13.00?
- \$5.00
 - \$8.00**
 - \$13.00
 - \$21.00
25. Which of the following would cause the *cost* of producing a birdhouse to change?
- A change in profits
 - A change in the demand for birdhouses
 - A change in people's desire to buy birdhouses**
 - A change in the price of wood used to make birdhouses
26. Last year in a certain **country**, the government printed and spent a lot more money, however, businesses did not produce more goods and services. In that country we would expect:
- That people would lose their jobs
 - The prices of goods and services to rise**
 - The demand for goods and services to fall
 - The supply of opportunity costs to rise.
27. Last year all the workers in a certain country earned more **money**. **What** can we say for sure about the goods and services the workers could buy?
- The workers could buy more goods and services**
 - The workers could buy fewer goods and services
 - The workers could buy the same amount of goods and **services**
 - We can say nothing for sure, since we do not know how the prices of goods and services changed
28. A certain country produced only the following goods last year. (See chart below.) The price of each good is shown. What is the **GDP** of the country?

<u>Goods Produced</u>	<u>Price of one good</u>
3 Hammers	\$10.00
2 Shirts	\$5.00
1 Book	\$4.00

- \$15.00**
- \$19.00**
- \$28.00**
- \$44.00**

29. The next year the same country produced only the goods shown in the chart below. The prices of the goods rose, and are shown in the chart. What was the change in the *real GDP* of the country?

<u>Goods Produced</u>	<u>Price of one good</u>
3 Hammers	\$15.00
2 shirts	\$10.00
1 Book	\$8.00

- A. Real GDP rose
- B. Real GDP fell
- C. Real GDP stayed the same
- D. We cannot tell, since prices rose

Answers to Pre/Post Tests

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|-----|---|-----|---|
| 1. | C | 18. | B |
| 2. | D | 19. | C |
| 3. | C | 20. | C |
| 4. | B | 21. | A |
| 5. | D | 22. | A |
| 6. | D | 23. | B |
| 7. | D | 24. | A |
| 8. | A | 25. | D |
| 9. | B | 26. | B |
| 10. | C | 27. | D |
| 11. | C | 28. | D |
| 12. | C | 29. | C |
| 13. | B | | |
| 14. | A | | |
| 15. | C | | |
| 16. | C | | |
| 17. | C | | |

PLAY DOUGH RECIPE

1 cup flour
1 T. oil
1 cup water

1/2 cup salt
2 t. cream of tartar
food coloring

Directions:

Cook over medium heat until a ball forms. Knead in a large zip-lock bag for a few minutes. Remove air from bag and zip shut. Makes enough play dough to fill a typical zip-lot sandwich bag.