

CONSUMER STUDIES 1202

Sample Test

Unit I – Chapter 1

Part A. Multiple Choice.

Select the best answer for each of the following statements.

1. Two things that Canadians have always had in common are:
 - a.) values and language
 - b.) needs and wants
 - c.) language and religion
 - d.) heritage and culture

2. To buy the things they need, the majority of Canadians earn money by being:
 - a.) employees
 - b.) employers
 - c.) financially independent
 - d.) unemployed

3. Every nation has TWO basic concerns: (1.) what form of government should be allowed, and, (2.)
 - a.) What consumer system will be practiced
 - b.) What economic system will be practiced
 - c.) what languages will be allowed
 - d.) what types of jobs will be permitted

4. In Canada, we practice which form of government:
 - a.) communism
 - b.) democracy
 - c.) dictatorship
 - d.) socialism

5. The three factors of production are:
 - a.) capital, labour and land
 - b.) capital, consumers and land
 - c.) land, labour and natural resources
 - d.) capital, government and labour

6. The type of economic system practiced in Canada is:

- a.) capitalism
- b.) communism
- c.) dictatorship
- d.) socialism

7. When the supply of a product remains constant but demand increases, the price will usually:
- a.) decrease
 - b.) increase
 - c.) remain the same
 - d.) none of the above
8. The part of the economy that is owned and operated by the Government is the:
- a.) consumer sector
 - b.) private sector
 - c.) public sector
 - d.) governmental sector
9. When people specialize, they become:
- a.) dependent
 - b.) independent
 - c.) interdependent
 - d.) unemployed
10. The ups and downs in the economy is referred to as the:
- a.) business cycle
 - b.) buy cycle
 - c.) consumer cycle
 - d.) production cycle

Part B.

Answer each of the following questions:

1. What are the THREE advantages of the free enterprise system compared to the communistic economic system?
2. Identify and describe the FOUR features of the modified free enterprise system.
3. Assume that our economy is in a recession stage. Describe the characteristics of this phase and explain what the government will likely do to help the economy move into the recovery stage and how this action will assist the economy.