

# CONSUMER STUDIES 1202

## Sample Test

### Unit I – Chapter 2

#### Part A. Matching:

Each of the terms in column one matches a statement from column two. For each statement, select the term that best relates to it and print the letter for that term on your answer sheet.

CAREFUL: an answer MAY BE used more than once.

a. business	1. when a person does something for others, they have performed this.
b. consumer	2. any business that creates products for the purpose of selling them to others
c. distribution	3. any individual organization that buys or uses products produced by others.
d. employee	4. a business that is engaged in the first stage of production that deals with natural resources.
e. extractor	5. a business that changes the natural resources into finished goods.
f. manufacturer	6. the act of getting goods from producers to consumers.
g. marketing	7. a person who works for a business.
h. money	8. what a person receives in exchange for his or her knowledge, skills or time
i. producer	
j. service	
k. tangible	

#### PART B. Fill In the Blanks.

1. The business activities listed below represent examples found in PRIMARY, SECONDARY and TERTIARY industries. Name the type of industry for each business activity listed.

- a. fishing \_\_\_\_\_
- b. making furniture \_\_\_\_\_
- c. selling insurance \_\_\_\_\_
- d. selling advertising \_\_\_\_\_
- e. banking services \_\_\_\_\_
- f. agriculture \_\_\_\_\_
- g. making clothing \_\_\_\_\_

**PART C. APPLICATION**

1. There are THREE main types of consumers. Read each of the following statements and indicate the type of consumer described.

- a.) A business bought a product from another business and plans to use the product to produce and sell another product to someone else.
- b.) A school bought a product and plans to use it for its students.
- c.) You bought a product for your own personal use.

2. Read the following case study and answer the questions that follow:

**CASE STUDY:**

Yesterday you purchased a compact disc by Good Neighbors, a new rock group on the music scene. Their latest release, "Let's be my friends", was produced by More Music Limited to Saskatoon. The producer contracted with Trans Canada Music Limited of Winnipeg to distribute the C.D. across the country. Trans Canada has purchased 100,000 discs at \$8.00 per disc. You purchased the C.D. from the local music store - HMV for \$15.99 plus 15% H.S.T. The artists get an 8% royalty off of the wholesale price.

- 1. Name the retailer.
- 2. Who is the wholesaler?
- 3. Who is the manufacturer?

4. Who is the ultimate consumer?
5. Calculate the amount of the H.S.T.
6. What will the TOTAL amount be on the Royalty Cheque?