

OGT PREP QUIZ

ECONOMICS

1. Economies must address how to produce goods and services. In the economy of a certain country, some factories are owned by individuals and private companies, and other factories are owned and controlled by the government.

What type of economy does this country have?

- A. Traditional
 - B. Market
 - C. Command
 - D. Mixed
2. In a command economy, the question of what goods to produce is primarily determined by...
 - A. cultural traditions
 - B. decisions by individuals
 - C. government plans
 - D. corporate policies
 3. In a certain country, decisions regarding production and consumption of goods are based upon customs, beliefs, rituals, and habits. Over time, the economic system changes to one in which production decisions are based on competition and consumer choice.

How has the economic system of this country changed?

- A. from a mixed economy to a command economy
 - B. from a traditional economy to a market economy
 - C. from a command economy to a mixed economy
 - D. from a market economy to a traditional economy
4. Economic systems answer the question of how goods and services are produced. What is one way a country could change from a command economy to a market economy?
 - A. if the government takes control of family-owned farms
 - B. if privately owned banks become subject to stricter regulation
 - C. if agricultural and factory workers are required to join labor unions
 - D. if industries that had been owned by the government become privately owned
 5. In order to stimulate the economy, the United States government lowers personal income tax rates. Why would this action be expected to promote economic growth?
 - A. Consumers would have more money available to spend on goods and services.
 - B. Manufacturers would have to pay more for raw materials.
 - C. The government would be less likely to engage in deficit spending.
 - D. Businesses would be required to hire more employees.