

Overview

This event provides recognition for FBLA members who can identify, understand, and apply economic principles to contemporary social, political, and ecological problems.

This is an individual objective test.

Competencies and Task Lists

<http://www.fbla-pbl.org/docs/ct/FBLA/ECONOMICS.pdf>

Web Site Resources

- Business Education Links
<http://lessonplans.btskinner.com/>
- Economics Website
<http://www.mcwn.org/ECONOMICS/EconMain.html>
- Economic Sample Quizzes
http://www.sscnet.ucla.edu/ssc/labs/cameron/e1f98/e1_qz.htm
- Investing Pays Off Curriculum (teacher's guide, worksheets, answer keys) by Merrill Lynch
<http://philantropy.ml.com/ipo/volunteer/curriculumletter.html>
- MDI Educator Resources on Insurance
<http://insurance.mo.gov/consumer/teens/educators.htm>
- Monetary and Fiscal Policy <http://www.socialstudieshelp.com/EcoMonandFiscal.htm>
- tutor2u
<http://www.tutor2u.net/quiz/economics/default.asp>

ECONOMICS SAMPLE QUESTIONS

1. A rightward shift of the demand curve for some product Q might be caused by:
 - a. a decrease in the price of a product that is a complement good to product Q
 - b. a decrease in income if Q is a normal good
 - c. a decrease in the price of a product that is a close substitute good to product Q
 - d. an increase in income if product Q is an inferior good
2. Fiscal policy tools include:
 - a. changing the level of taxes only
 - b. changing the level of government spending only
 - c. changing the rate of growth in the money supply
 - d. changing the levels of taxes and government spending
3. A government subsidy to producers of a product:
 - a. increases product demand
 - b. increases product supply
 - c. reduces product demand
 - d. reduces product supply
4. An unusually large crop of corn might:
 - a. increase the price of wheat
 - b. increase the supply of corn
 - c. decrease the supply of corn
 - d. decrease the amount of corn consumed

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5. Which one of the following economic concepts provides the basic rationale for international trade?
 - a. comparative advantage
 - b. absolute advantage
 - c. increasing opportunity costs
 - d. the law of demand
 6. An economist who favors smaller government would recommend:
 - a. tax increases during a recession and reduced government spending during times of inflation
 - b. tax cuts during a recession and reduced government spending during times of inflation
 - c. tax increases during a recession and increased government spending during times of inflation
 - d. tax cuts during a recession and increased government spending during times of inflation
 7. In the short run, purely competitive firms will maximize profits where:
 - a. $AFC=AVC$
 - b. $ATC=AVC$
 - c. $MC=MR$
 - d. $AFC=ATC$
 8. In the short run, a purely competitive firm should produce as long as total revenue covers its:
 - a. marginal costs
 - b. total fixed costs
 - c. total variable costs
 - d. accounting costs
 9. Economists would describe the U.S. automobile industry as:
 - a. purely competitive
 - b. an oligopoly
 - c. a monopoly
 - d. monopolistically competitive
 10. For most state governments, the biggest expenditure is for:
 - a. economic development
 - b. state police
 - c. education
 - d. prisons
 11. A firm in a purely competitive market is:
 - a. a price maker
 - b. mutually interdependent
 - c. a price chooser
 - d. a price taker
 12. Which barrier creates a natural monopoly?
 - a. large economies of scale
 - b. small economies of scale
 - c. legal barriers
 - d. inefficiency
 13. A monopoly price is:
 - a. lower than a competitive price and is where average cost equals price
 - b. the highest price possible
 - c. equal to the competitive price
 - d. higher than a competitive price and is where marginal revenue equals marginal cost

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14. Which one of the following would both be expansionary fiscal policy?
 - a. decrease government spending and raise taxes
 - b. decrease government spending and cut taxes
 - c. increase government spending and cut taxes
 - d. increase government spending and raise taxes
 15. Many countries have argued that their young industries need protection from more mature foreign competition. This argument for trade barriers is called the:
 - a. save domestic employment argument
 - b. infant industry argument
 - c. mature industry argument
 - d. self sufficiency argument
 16. When economic profits increase:
 - a. new entry occurs and prices will rise
 - b. firms tend to invest less and supply decreases
 - c. firms tend to invest more and supply increases
 - d. investment increases and firms exit the market
 17. Suppose a steel plant pollutes in a river and causes real estate values to decrease. Which one of the following is a judicial solution?
 - a. The steel company purchases the right to pollute the river.
 - b. The real estate owners sue the steel company.
 - c. The EPA shuts down the steel plant and fines the company.
 - d. The steel company and the real estate owners negotiate through a mediator and come to an agreement for compensation.
 18. The biggest portion of local government spending is:
 - a. education
 - b. prisons
 - c. airports
 - d. highways
 19. Social security and Medicare are examples of the government's role as:
 - a. an advocate of free markets
 - b. economic stabilizer
 - c. the world's only superpower
 - d. a safety net for society
 20. Which one of the following is a public good?
 - a. an aircraft carrier
 - b. a television
 - c. a concert
 - d. a movie
 21. The median voter theorem suggests:
 - a. voters should pick the candidate with better positions than the median candidate
 - b. median voters decide elections
 - c. voters should pick the candidate closest to the median position
 - d. half the voters are liberal and half are conservative
 22. A proportional tax also is called a:
 - a. progressive tax
 - b. redistributive tax
 - c. indirect tax
 - d. flat tax

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23. Industrial equipment is an example of a:
- human resource
 - consignment good
 - natural resource
 - capital good
24. Which one of the following is an example of a government regulation that affects a business's working conditions?
- minimum wage
 - food inspection
 - zoning laws
 - price supports
25. A country imports goods and services from other countries in order to:
- create a trade deficit
 - participate in domestic trade
 - create a trade surplus
 - satisfy domestic wants and needs
26. What is the correct fiscal policy when a recession is caused by decrease in aggregate demand?
- decrease government spending and decrease taxes
 - increase government spending and increase taxes
 - decrease government spending and increase taxes
 - increase government spending and decrease taxes
27. When price rises on a price-inelastic good, what happens?
- quantity demanded decreases, but by a larger percentage
 - demand decreases
 - quantity demanded decreases, but by a smaller percentage
 - quantity demanded decreases
28. The United States' four largest trading partners are:
- Canada, China, Germany, and France
 - Canada, Italy, Germany, and Mexico
 - Canada, China, Saudi Arabia, and Korea
 - Canada, China, Japan, and Mexico
29. Which one of the following best describes monopoly?
- barrier to entry, lots of firms
 - price chooser, one firm
 - easy entry, one firm
 - price chooser, lots of firms
30. A merger of two firms with unrelated products is called a:
- horizontal merger
 - conglomerate merger
 - vertical merger
 - multinational merger

Cyber Security Answer Key

1) C	11) D	21) B
2) A	12) D	22) D
3) B	13) A	23) D
4) B	14) D	24) D
5) A	15) A	25) C
6) D	16) D	26) D
7) A	17) D	27) C
8) C	18) C	28) C
9) A	19) A	29) D
10) C	20) D	30) C

Database Design & Applications Answer Key

1) D	11) A	21) A
2) C	12) B	22) B
3) A	13) A	23) B
4) A	14) B	24) C
5) B	15) C	25) D
6) D	16) A	26) C
7) D	17) B	27) D
8) D	18) C	28) C
9) A	19) D	29) C
10) A	20) B	30) B

Desktop Publishing Answer Key

1) C	11) A	21) C
2) C	12) C	22) B
3) B	13) A	23) A
4) C	14) C	24) A
5) A	15) A	25) B
6) B	16) B	26) B
7) A	17) A	27) C
8) B	18) B	28) A
9) A	19) C	29) A
10) B	20) A	30) A

Economics Answer Key

1) A	11) D	21) B
2) D	12) A	22) D
3) B	13) D	23) D
4) B	14) C	24) A
5) A	15) B	25) D
6) B	16) C	26) D
7) C	17) B	27) C
8) C	18) A	28) D
9) D	19) D	29) B
10) C	20) A	30) B

Entrepreneurship Answer Key

1) B	11) A	21) C
2) A	12) B	22) D
3) B	13) A	23) C
4) D	14) D	24) A
5) C	15) A	25) A
6) B	16) C	26) B
7) B	17) A	27) B
8) A	18) C	28) D
9) C	19) B	29) C
10) D	20) B	30) A