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| *Indicate the answer choice that best completes the statement or answers the question.* |

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| 1. The controversial $700 billion economic bailout plan passed by Congress in early October 2008 was called the \_\_\_\_\_. |
| 2. In 1982, the total expenditure of the government of Kargenia, a European country, exceeded its revenue by a substantial amount. This forced the government of Kargenia to borrow funds to meet its legal obligations. In this scenario, the government of Kargenia incurred a \_\_\_\_\_ in 1982. |
| 3. In the context of monetary policy, which of the following statements is true of the discount rate? |
| 4. The Board of Governors of the Federal Reserve holds a meeting to discuss its concern over the decreasing gross domestic product of the country. All members agree that the situation can be brought under control and the economy can be stimulated if they use the discount rate as a tool. In this scenario, the Fed is most likely to: |
| 5. The Fed: |
| 6. Brontsky & Co., a member bank of the Fed, receives a notice from the Fed that notifies that it must hold funds equal to 15% of the deposits held by its customers. In this scenario, the 15% is the \_\_\_\_\_. |
| 7. Which of the following is an example of a natural monopoly? |
| 8. Which of the following statements is true of a capitalist economy? |
| 9. In the context of fundamental principles of a free market system, which of the following statements is true of a supply curve? |
| 10.  \_\_\_\_\_ is a market structure with only a handful of competitors selling products that can be similar or different and has high barriers to entry. |
| 11. The government of Bakhraan, an Asian country, owns key industries that directly affect public welfare, such as healthcare and telecommunications. To fund public welfare schemes, such as free childcare and free education, the government levies high taxes on its citizens. In the given scenario, the economic system followed by Bakhraan is \_\_\_\_\_. |
| 12. The government of the South Asian nation of Albana is unable to maintain the electronics business effectively because of slack in management and lack of skilled employees. It sells the business to a company called Ramington Electricals. The company has no association with the government, and it operates on its own terms. The sale of the government-owned electronics business to Ramington Electricals is an example of \_\_\_\_\_. |
| 13. Which of the following statements is true of productivity? |
| 14. In the context of the business cycle, which of the following statements is true of the period of economic contraction? |
| 15. Keltica, a country in Asia, enjoyed a period of great economic boom in the 1980s. The country had robust economic growth, high employment, and abundant business investments during this period. In the context of the business cycle, the economy of Keltica was in \_\_\_\_\_ during the 1980s. |