
Student Name: _____

Teacher: _____

Date: _____

District: Wake County

Assessment: 9_12 Shared Courses BF10 - Principles of Business and Finance Test 4

Description: Unit 1 Review

Form: 501

1. Tony is trying to decide on which cars to sell at his dealership. He completed a spreadsheet to compare the options of cars. Which part of economic decision-making process has he performed?

- A. Defining the problem**
- B. Evaluating the advantages and disadvantages of each choice**
- C. Choosing one choice**
- D. Acting on a choice**

2. An example of a value for a market economy is a:

- A. central leadership group expecting all the profit from production.**
- B. local company choosing to produce gaming software.**
- C. local group believing in following traditions at work.**
- D. local group producing televisions the same way through the years.**

3. Jewel Manufacturing Company changed its production line to include more workers and decrease production time. Which economic question does this address?

- A. For whom to produce?**
- B. How to produce?**
- C. What to produce?**
- D. When to produce?**

4. An example of a value for a command economy is:

- A. a central leadership group expecting all the profit from production.**
- B. a local company choosing to produce 10,000 televisions.**
- C. a local group producing televisions the same way through the years.**
- D. an individual deciding to purchase three new televisions.**

5. Which is an example of a company establishing supply?
- A. Ann Jones Clothing Store upgrades its equipment regularly.
 - B. Reebok footwear company is trying to attract more middle-aged customers.
 - C. Sears Department Store displays fewer lawn mowers.
 - D. Walmart sends only five touch screen computers to each store.
6. Brandon's Towing Company added flat tire replacement services. Which economic question does this address?
- A. For whom to produce?
 - B. How to produce?
 - C. What to produce?
 - D. When to produce?
7. John specializes in leasing commercial buildings to manufacturing companies. In which type of resource does he specialize?
- A. Capital
 - B. Human
 - C. Natural
 - D. Service
8. Which is an example of consumers setting the demand?
- A. Consumers bought less of the old version of a video game once the new one was released.
 - B. The department store changing its staff.
 - C. The wait for employees returning equipment decreased.
 - D. The footwear company moving in its new building.
9. An example of a value for a command economy is:
- A. a central leadership group expecting all the profit from production.
 - B. a local company choosing to produce 10,000 televisions.
 - C. a local group producing televisions the same way through the years.
 - D. an individual deciding to purchase three new televisions.
10. Bryers Ice Cream Company plans to increase the quantity of ice cream sold per quarter. This is an example of which self-regulating principle of a market economy?
- A. Consumers set demand
 - B. Producers establish supply
 - C. Supply and demand generated competition
 - D. Demand and supply factors influence market prices

11. Tina needs to find employment to earn an income. She applied for positions as a teacher, contractor, and coordinator. Which part of the economic decision-making process has she performed?
- A. Defining the problem
 - B. Identifying choices
 - C. Evaluating the advantages and disadvantages of each choice
 - D. Choosing one choice
12. Tony organized all the automobiles that he has decided to sell at his dealership. Which part of economic decision-making process has he performed?
- A. Defining the problem
 - B. Evaluating the advantages and disadvantages of each choice
 - C. Choosing one choice
 - D. Acting on a choice
13. Which is an example of consumers establishing demand?
- A. The department store changing its staff
 - B. The footwear company moving in its new building
 - C. The purchase of iPhone applications increasing daily
 - D. The wait to return recalled equipment decreasing daily
14. Jane's Steakhouse offers several dishes that may include whole wheat, corn, or beef. Which type of resource is included in the dishes?
- A. Capital
 - B. Human
 - C. Natural
 - D. Service
15. A report covering four quarters about the economy includes that more companies are experiencing less production and reducing the number of employees. Which phase of the business cycle does this report describe?
- A. Depression
 - B. Prosperity
 - C. Recession
 - D. Recovery

16. If an economist researches annually the total value of homes built, this information would be useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. Investment activities
 - D. Labor activities
17. The U. S. Bureau of Economic Analysis reports total wage and salary compensations for local areas. This information would be useful for which measurement of economic activities?
- A. Borrowing
 - B. Consumer spending
 - C. GDP
 - D. Investment activities
18. A report covering several quarters about the economy includes that more companies are experiencing record high production and adding new employees. Also, wages and the rate of GDP are increasing significantly. Which phase of the business cycle does this report describe?
- A. Depression
 - B. Prosperity
 - C. Recession
 - D. Recovery
19. Department stores report monthly to the state commerce office its total sales of goods and services. This information would be useful for which measurement of economic activities?
- A. Borrowing
 - B. Consumer spending
 - C. Investment activities
 - D. Labor activities
20. Due to decreasing enrollment in a local school system, fewer teachers as employees are needed. As a result, over 100 teachers were released from their commitments. This information would be useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. GDP per capita
 - D. Labor activities

21. When a government agency reports annually the total amount spent to pay employees, this information is useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. Investment activities
 - D. Labor activities
22. A cosmetic company purchased an automatic wrapping machine that wraps a pallet of boxes in 30 seconds. To complete the same task manually, it would take an employee almost 3 minutes. This information would be useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. GDP per capita
 - D. Labor activities
23. In a hypothetical economy, only 40 people were included and 15 pizzas were produced last year at \$7 dollars each. This information would be useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. GDP per capita
 - D. Labor activities
24. The North American Free Trade Association (NAFTA) eliminates tariffs and embargoes among its members while trading goods and services. This is an example of which encouragement of international trade?
- A. Embargo
 - B. Free-trade agreement
 - C. Free-trade zone
 - D. Tariff
25. United States has become globally known for its production of wheat more resourcefully. It can produce the product with less human resources. This is an example of what type of ADVANTAGE?
- A. Absolute
 - B. Comparative
 - C. Competitive
 - D. Dual advantage

- 26. An organization assisted two countries on settling a trade disagreement on the amount of bananas to be traded. This action is an example of assistance provided by which international trade organization?**
- A. International Monetary Fund**
 - B. Joint Venture**
 - C. World Bank**
 - D. World Trade Organization**
- 27. An organization assisted two countries on settling a trade disagreement on tariffs. This action is an example of assistance provided by which international trade organization?**
- A. International Monetary Fund**
 - B. Joint Venture**
 - C. World Bank**
 - D. World Trade Organization**
- 28. The government of the United States allows consumers to make decisions about goods and services consumed. Which main factor of the international business environment is this information about this country classified?**
- A. Cultural influences**
 - B. Economic development**
 - C. Geography**
 - D. Political and legal concerns**
- 29. Which statement is true about balance of payment?**
- A. Balance of payments is favorable when a company pays more money out of it than it receives in it.**
 - B. Balance of payments is favorable when a company receives more money into it than it pays out.**
 - C. Balance of payments is favorable when a country pays more money out of it than it receives in it.**
 - D. Balance of payments is favorable when a country receives more money into it than it pays out.**
- 30. Laos has limited infrastructure that will hinder international businesses to conduct transactions in it. This country depends heavily on the agricultural industry. Which main factor of the international business environment is this information about this country classified?**
- A. Cultural influences**
 - B. Economic development**
 - C. Geography**
 - D. Political and legal concerns**

- 31. Before arriving at meetings in other countries to negotiate contracts for a company located in the United States, Stacy learns about appropriate business behavior of the other countries. Which main factor of the international business environment is this information she learns classified?**
- A. Cultural influences**
 - B. Economic development**
 - C. Geography**
 - D. Political and legal concerns**
- 32. India's terrain allows for its major production of rice, cotton, and wheat. Which main factor of the international business environment is this information about India classified?**
- A. Cultural influences**
 - B. Economic development**
 - C. Geography**
 - D. Political and legal concerns**
- 33. Alaska produces more salmon by the pound than any other state that exports salmon. This is an example of what type of ADVANTAGE?**
- A. Absolute**
 - B. Comparative**
 - C. Competitive**
 - D. Dual**
- 34. Several Prime Ministers of East African countries are negotiating the trade of products and services throughout the Eastern region. This is an example of which encouragement of international trade?**
- A. Common markets**
 - B. Embargo**
 - C. Free-trade zone**
 - D. Tariff**
- 35. India limits the amount of imported wheat products to protect its own industry. This is an example of which international trade barrier?**
- A. Embargoes**
 - B. Free-trade zones**
 - C. Quotas**
 - D. Tariffs**

36. Due to the high volume of travelers visiting the United Kingdom, the country has set up duty-free shops in highly visited areas. This is an example of which encouragement of international trade?

- A. Embargo**
- B. Free-trade agreement**
- C. Free-trade zone**
- D. Tariff**

37. A convenience store gave the rights to a company in Mexico to sell its products and services. This is an example of which global marketplace main entry mode?

- A. Chain**
- B. Franchising**
- C. Joint venture**
- D. Licensing**

38. If a country is in a civil war and its government changes abruptly, this is an example of which factor that influences international currency exchange?

- A. Balance of payments**
- B. Balance of trade**
- C. Economic conditions**
- D. Political stability**

39. Cuba bans American products to be sold within its country. This is an example of which international trade barrier?

- A. Embargoes**
- B. Free-trade zones**
- C. Quotas**
- D. Tariffs**

40. Syria is banned from selling products within other countries. This is an example of which international trade barrier?

- A. Embargoes**
- B. Free-trade zones**
- C. Quotas**
- D. Tariffs**

- 41. Aruba has become globally known for its white sandy beaches. It is relied upon by many travelers from other countries to enjoy its beaches at a reasonable cost. This is an example of what type of ADVANTAGE?**
- A. Absolute**
 - B. Comparative**
 - C. Competitive**
 - D. Dual**
- 42. If China has rising interest rates and inflation occurring across the country, this is an example of which factor that influences international currency exchange?**
- A. Balance of payments**
 - B. Balance of trade**
 - C. Economic conditions**
 - D. Political stability**
- 43. While conducting business in Japan, Shari adjusted her gift-giving practices to accommodate her Japanese business-partners. Which main factor of the international business environment did Shari consider?**
- A. Cultural influences**
 - B. Economic development**
 - C. Geography**
 - D. Political and legal concerns**