

# Middle School Economics Basics

Economics · Answer Key · 10 Questions

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## 1. What is the main reason people and businesses make choices in economics?

- A) To spend all their money
- B) Because resources are limited**
- C) To get rich quickly
- D) To buy more than they need

## 2. What does 'supply' refer to in economics?

- A) How much of something people want to buy
- B) How much of something is available to be sold**
- C) The price of an item
- D) The cost of making an item

## 3. What does 'demand' refer to in economics?

- A) How much of something is available to be sold
- B) How much of something people are willing and able to buy**
- C) The cost of making an item
- D) The profit a business makes

## 4. When the price of a good goes up, what usually happens to the quantity demanded?

- A) It increases
- B) It decreases**
- C) It stays the same
- D) It becomes zero

## 5. Which of these is an example of a 'good' in economics?

- A) A service like a haircut
- B) A physical item like a book**
- C) A conversation
- D) An idea

## 6. What is a 'service' in economics?

- A) A physical item that can be touched
- B) An action performed for someone**
- C) A type of money
- D) A place where goods are sold

**7. Why do businesses aim to make a profit?**

- A) To lose money
- B) To pay their employees more than they earn
- C) To have money left over after paying expenses**
- D) To give away their products for free

**8. What is the main role of money in an economy?**

- A) To be collected as a hobby
- B) To make trading difficult
- C) To be a medium of exchange**
- D) To be stored forever without use

**9. What are the basic 'factors of production' in economics?**

- A) Goods, services, and money
- B) Land, labour, capital, and entrepreneurship**
- C) Supply, demand, and price
- D) Consumers, producers, and markets

**10. What does 'scarcity' mean in economics?**

- A) Having too much of everything
- B) Not enough of something to satisfy everyone's wants**
- C) The price of an item being very low
- D) A surplus of goods