

# Introduction to Microeconomics Concepts

Microeconomics · Practice Test · 20 Questions

---

**1. What is the term for the amount of a good or service that producers are willing and able to sell at a certain price?**

- A) Demand
- B) Supply
- C) Equilibrium
- D) Scarcity

**2. When the price of a good goes up, what usually happens to the quantity demanded of that good?**

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

**3. What does the term 'scarcity' mean in economics?**

- A) There is too much of everything
- B) There are unlimited wants and limited resources
- C) Resources are distributed equally
- D) Prices are always high

**4. What is the main goal of a business?**

- A) To reduce costs as much as possible
- B) To make a profit
- C) To employ as many people as possible
- D) To satisfy customer complaints

**5. What is the price at which the quantity demanded equals the quantity supplied called?**

- A) Market price
- B) Surplus price
- C) Equilibrium price
- D) High price

**6. When the price of a good goes down, what usually happens to the quantity supplied of that good?**

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

**7. What is a 'consumer'?**

- A) Someone who produces goods
- B) Someone who sells goods
- C) Someone who buys and uses goods and services
- D) Someone who owns a business

**8. What is a 'producer'?**

- A) Someone who buys goods
- B) Someone who consumes goods
- C) Someone who makes or provides goods and services
- D) Someone who saves money

**9. If there is a shortage of a product, what is likely to happen to its price?**

- A) It will decrease
- B) It will stay the same
- C) It will increase
- D) It will become free

**10. What is 'opportunity cost'?**

- A) The price of a good
- B) The cost of producing a good
- C) The value of the next best alternative that must be forgone
- D) The total amount of money spent

**11. What is a 'market' in economics?**

- A) A place where people work
- B) A place where goods and services are exchanged
- C) A type of government
- D) A large building with many shops

**12. What is the main factor that influences how much of a good people want to buy?**

- A) The number of producers
- B) The cost of production
- C) The price of the good
- D) The weather

**13. If the supply of apples decreases, but the demand stays the same, what will likely happen to the price of apples?**

- A) The price will decrease
- B) The price will stay the same
- C) The price will increase
- D) Apples will become free

**14. What is a 'need' in economics?**

- A) Something people want but do not require to survive
- B) Something essential for survival
- C) A luxury item
- D) A service provided by the government

**15. What is a 'want' in economics?**

- A) Something essential for survival
- B) Something people desire but is not essential
- C) A basic necessity
- D) A resource that is not scarce

**16. What does 'competition' mean in a market?**

- A) Businesses working together to set prices
- B) Multiple sellers trying to attract buyers
- C) Buyers competing for limited goods
- D) The government controlling prices

**17. What is a 'resource' in economics?**

- A) A product that is sold
- B) Anything used to produce goods or services
- C) A type of advertisement
- D) A customer's wish list

**18. If the demand for a product increases, while supply stays the same, what will likely happen to the price?**

- A) The price will decrease
- B) The price will stay the same
- C) The price will increase
- D) The product will become unavailable

**19. What is a 'good' in economics?**

- A) A service provided by a person
- B) A tangible item that satisfies a want or need
- C) An idea or concept
- D) A financial investment

**20. What is a 'service' in economics?**

- A) A physical product
- B) An action or activity performed for others
- C) A natural resource
- D) A form of currency