

# Microeconomics for Curious Minds

Microeconomics · Answer Key · 20 Questions

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**1. What is the economic term for when there is not enough of a resource to meet everyone's wants?**

**A) Scarcity**

- B) Abundance
- C) Surplus
- D) Waste

**2. In economics, what is the 'opportunity cost' of choosing to play with a toy instead of reading a book?**

A) The price of the toy

**B) The fun you missed from reading the book**

- C) The time of day
- D) The book's color

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

A) Being kind to others

**B) A physical object that people want**

- C) Doing a chore for someone
- D) A feeling of happiness

**4. When someone cleans your room for money, what is that work called?**

A) A good

B) A product

**C) A service**

D) An investment

**5. What does a 'producer' do?**

A) Buys things at a shop

**B) Makes or provides things for others**

- C) Decides the weather
- D) Only eats food

**6. What is the person who buys and uses a good or service called?**

**A) A consumer**

- B) A producer
- C) A manufacturer
- D) A government

**7. Which of these is a 'natural resource' used to make products?**

- A) A plastic robot
- B) A wooden chair

**C) Water from a river**

- D) A metal coin

**8. If a store has too many of an item that nobody wants, what is that called?**

- A) Scarcity

**B) Surplus**

- C) Demand
- D) Need

**9. What is 'barter'?**

**A) Trading one item directly for another**

- B) Buying things with coins
- C) Asking for a gift
- D) Borrowing money

**10. What is the main purpose of money in an economy?**

- A) To decorate a wallet
- B) To make things heavy

**C) To act as a medium of exchange**

- D) To play games with

**11. What do we call the things people must have to survive, like water and shelter?**

- A) Wants

**B) Needs**

- C) Luxuries
- D) Extras

**12. If the price of a toy goes up very high, what usually happens to the number of people who buy it?**

- A) It goes up

**B) It goes down**

- C) It stays the same
- D) It disappears forever

**13. What is a 'market'?**

**A) A place where people trade goods and services**

- B) A place to hide
- C) A type of school
- D) A game of tag

**14. What are the tools and machines used to make other goods called?**

- A) Natural resources
- B) Capital goods**
- C) Consumer goods
- D) Wants

**15. What is 'demand' in economics?**

- A) How much people want to buy something**
- B) How much a store hides
- C) How many people work
- D) The name of a toy

**16. When a baker uses flour to make bread, what is the flour?**

- A) A finished good
- B) A raw material**
- C) A service
- D) A toy

**17. Which of these is a 'want' rather than a 'need'?**

- A) Drinking water
- B) A fancy video game**
- C) Eating healthy food
- D) Wearing warm clothes

**18. What do we call the skill and effort people use to produce goods?**

- A) Labor**
- B) Money
- C) Waste
- D) Buying

**19. What happens to the supply of apples if a storm destroys the apple trees?**

- A) The supply goes up
- B) The supply goes down**
- C) The supply stays the same
- D) Apples become free

**20. What does the 'price' of an item tell us?**

- A) How heavy it is
- B) How much it costs to acquire**
- C) Who made it
- D) What color it is