

# Economic Concepts and Factors of Production

Economics · Practice Test · 10 Questions

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**1. What is the economic term for payments made for the factors of production?**

- A) Profit
- B) Income
- C) Revenue
- D) Cost

**2. Identify the market where savings and loans occur.**

- A) Product Market
- B) Labor Market
- C) Financial Market
- D) Capital Market

**3. What economic concept describes the flow of spending on goods and services?**

- A) Aggregate Supply
- B) Aggregate Demand
- C) National Income
- D) Circular Flow

**4. What is the flow of payment in the form of wages, salaries, rent, interest, and profits called?**

- A) Expenditure
- B) Income
- C) Consumption
- D) Investment

**5. What term describes goods and services that people intend to use and not to resell?**

- A) Capital Goods
- B) Intermediate Goods
- C) Consumer Goods
- D) Durable Goods

**6. What is the term for an increase in the production of goods and services in a country?**

- A) Recession
- B) Inflation
- C) Economic Growth
- D) Stagnation

**7. What is used to measure the level of economic activity in a country?**

- A) Unemployment Rate
- B) Inflation Rate
- C) Gross Domestic Product (GDP)
- D) Balance of Trade

**8. What is the term for an increase in economic activities, taking inflation into consideration?**

- A) Economic Contraction
- B) Real Economic Growth
- C) Nominal Economic Growth
- D) Deflation

**9. List any TWO factors of production.**

- A) Land, Labor
- B) Demand, Supply
- C) Profit, Loss
- D) Income, Expenditure

**10. List TWO examples of government expenditure.**

- A) Healthcare, Education
- B) Wages, Rent
- C) Interest, Profits
- D) Savings, Loans