

Name: _____

Date: _____ Grade: _____



*Principles and Precepts
of Economics*



Fill in the blank, mark true or false, or circle the correct answer.

1. *Economics* is the allocation of *resources* through _____ and _____.
2. List three things for which *money* can be used as payment:
_____, _____, _____
3. People who learn to *trade* with other people and nations can become prosperous. _____
(a) True (b) False
4. *Prosperity* is defined as financial well-being, or _____.
5. In economics, good ideas make men _____ and _____, while bad ideas make men _____ of other men.
6. Resources of a business may include: _____
(a) minerals, land, labor (b) minerals, land, factories
(c) money, equipment, personnel (d) capital, minerals, government agencies
7. Four examples of economic systems include: _____

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1. *Scarcity* means: _____.
2. People should learn to use limited _____ as _____ as possible to bring about the greatest good and avoid conflict.
3. If you have a job, then at the end of the work week or scheduled pay period you are entitled to **compensation**. _____
(a) True (b) False
4. Families who handle their economics effectively are often better able to contribute _____ and _____ for the greater good in their communities.
5. If you violate a law, you might have to pay: _____
(a) a property tax (b) **income tax**
(c) a license fee (d) a **punitive fee**
6. A state economy requires **revenue** for: _____
(a) repaving roads (b) common defense (e) only a and b
(c) maintaining state government (d) all of these
7. Our Federal Government provides far more _____ and resources to its citizens than the _____ ever imagined or intended.
8. The **Founding Fathers**:
(a) discovered America (b) instituted the income tax
(c) designed America's founding documents (d) all of these

Review: Match the types of economies with the applicable economic activity for # 9-12:

- | | |
|--------------------------------|---------------------------------------|
| _____ 9. Family economy | (a) Raise money for scouting activity |
| _____ 10. Community economy | (b) Purchase snow plows |
| _____ 11. State economy | (c) Collect federal income taxes |
| _____ 12. National economy | (d) Purchase groceries |
13. What drives most modern economies? _____

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14. **Commodity money** is the best, safest kind of money because it is **tangible**. _____

- (a) True (b) False

15. Two of the most common items used as commodity money include _____ and _____.

16. Writing a check is an example of using what kind of money? _____

- (a) Commodity money (b) Monopoly money
(c) **Fiat money** (d) **Representative money**

17. Fiat money is the worst kind of money, because it has no value in and of itself. _____

- (a) True (b) False

18. People accept fiat money for payment of _____ and _____ because powerful governments operate on fiat money.

19. Write the **Life Principle**: _____

