

**SAMPLE ITEMS**

**Item 1**

**Selected-Response**

**Opportunity cost means individuals**

- A. pay sales taxes to make a purchase.
- B. replace land and labor with capital resources.
- C. make purchases that require them to consider the environmental impact.
- D. make decisions that require them to give up the next best alternative.

**Item 2**

**Selected-Response**

**Use the scenario to answer the question.**

Consumers make rational decisions about what they purchase every day. For example, Esther went to the supermarket to buy apples to make two pies. She needed at least five apples for each pie. Golden Delicious apples cost 25 cents each; a bag of 16 Golden Delicious apples costs \$3.25. She bought the bag of Golden Delicious apples, even though she would have six apples left after making the pies.

**Which statement BEST describes Esther's choice?**

- A. Esther decided the marginal benefit of having six more apples exceeded the marginal cost of paying 75 cents extra.
- B. Esther decided the marginal benefit of having six more Golden Delicious apples did not exceed the marginal cost of paying 75 cents extra.
- C. Esther compared the price per apple and decided the most expensive apples would be the best to buy, so she bought the bag.
- D. Esther compared the prices of the individual apples and the bag of apples and bought exactly the number of apples she needed to make two pies.

**Item 3**

**Multi-Select Technology-Enhanced**

**A local grocery store has decided to charge customers for bags. Which TWO statements describe how customers will MOST LIKELY respond to this change?**

- A. Customers will buy more goods in bulk.
- B. Customers will purchase more goods.
- C. Customers will visit the store more often.
- D. Customers will shop at other grocery stores.
- E. Customers will bring reusable bags to the store.
- F. Customers will exclusively use grocery delivery services.

**SAMPLE ITEMS**

**Item 4**

**Selected-Response**

**Which of these describes a characteristic of a monopoly?**

- A. few barriers of entry
- B. rarely affected by government regulations
- C. strong control over price
- D. face strong competition for customers

**Item 5**

**Selected-Response**

**Read the scenario.**

Juanita and Sarah made 100 T-shirts with a picture of their school's basketball team to celebrate winning the division championship. They initially sold the T-shirts for \$5 each. The T-shirts began selling quickly. Juanita and Sarah realized that \$5 a shirt would not cover their costs, so they raised the price to \$8 a shirt. As a result, sales declined and they had 20 unsold T-shirts at the end of the year.

**Which term BEST describes what happened when Juanita and Sarah raised the price of the T-shirts?**

- A. law of supply
- B. law of demand
- C. opportunity cost
- D. comparative advantage

**Item 6**

**Selected-Response**

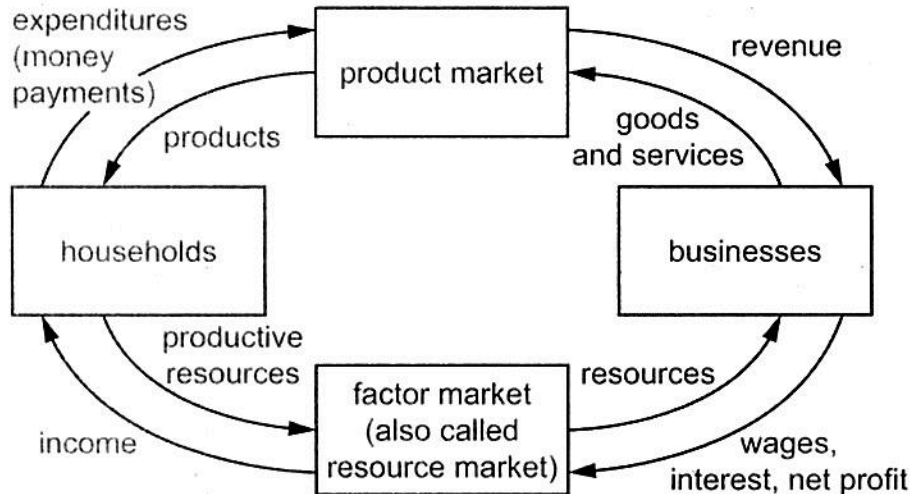
**In the U.S. economy, a few firms dominate the wireless telephone provider industry. Which type of market structure does this represent?**

- A. oligopoly
- B. monopoly
- C. pure competition
- D. monopolistic competition

## Item 7

## Multi-Part Technology-Enhanced

Use the diagram to answer the questions.



## Part A

What benefit do households provide for businesses?

- A. They supply consumers and workers.
- B. They dictate the supply of certain goods.
- C. They buy scarce resources for businesses to use.
- D. They help businesses save money by looking for bargains.

## Part B

Which interaction illustrates the flow of services between a household and a business?

- A. A city operates and maintains public parks.
- B. A discount store establishes a clearance aisle.
- C. A disabled worker draws benefits from the government.
- D. A pizza business provides delivery for an additional fee.

## Item 8

## Selected-Response

Which statement BEST describes the role of the government in a mixed economic system?

- A. It dictates what is to be produced.
- B. It determines for whom goods are to be produced.
- C. It restricts the industrial purchases of raw materials.
- D. It monitors the safety of goods and services through regulatory agencies.

**SAMPLE ITEMS**

**Item 9**

**Selected-Response**

**Which statement BEST describes monetary policy and fiscal policy?**

- A. Monetary policy reflects the Federal Reserve's authority to change the money supply; fiscal policy reflects the government's power to influence the economy through taxes, expenditures, and borrowing.
- B. Monetary policy reflects the Federal Reserve's authority to change tax rates; fiscal policy reflects the government's power to influence the money supply by lowering the discount rate for loans to banks.
- C. Monetary policy refers to the Federal Reserve's influence in the economy through borrowing and creating a deficit; fiscal policy refers to the government's authority to increase spending.
- D. Monetary policy refers to the Federal Reserve's authority to increase spending; fiscal policy refers to the government's authority to increase the discount rate for loans to banks.

**Item 10**

**Selected-Response**

**If the Federal Reserve wanted to stimulate the U.S. economy and reduce unemployment, it would**

- A. cause interest rates to decrease because low interest rates encourage business growth and expansion.
- B. cause interest rates to rise because high interest rates encourage business growth and expansion.
- C. increase the discount rate it charges banks, which would increase the money supply.
- D. increase consumer spending by reducing the money supply.

SAMPLE ITEMS

Item 11

Selected-Response

If the U.S. government disagrees with a foreign country's politics and wants to prevent trading with that country, the MOST effective action the U.S. government can take is to

- A. place high tariffs on all goods from that country.
- B. place an embargo on all goods from that country.
- C. enforce safety standards on all goods from that country.
- D. enforce a quota on all goods shipped from that country.

Item 12

Selected-Response

Which definition BEST describes the term *balance of trade*?

- A. the difference between a country's exchange rate and the value of a country's imports
- B. the value of a country's goods and services that are exported divided by its per capita income
- C. the difference between the yearly value of a country's exports and the yearly value of goods it produces
- D. the value of a country's exported goods and services minus the value of goods and services a country imports

Item 13

Selected-Response

What is the MOST LIKELY result of an increase in the value of the U.S. dollar against the Chinese currency?

- A. U.S. workers in the United States would benefit.
- B. Chinese importers of U.S. goods would benefit.
- C. U.S. consumers of Chinese goods would benefit.
- D. Chinese consumers of Chinese goods would benefit.

**SAMPLE ITEMS**

**Item 14**

**Selected-Response**

Fifteen-year-old Calvin has inherited \$3,000 from an aunt. He wants to invest in an option that has a very low risk but still increases the amount of money. He doesn't plan to access the money until he attends college in two years.

Based on Calvin's requirements, in which option would he **MOST LIKELY** invest?

- A. precious metals
- B. corporate stocks
- C. a savings account
- D. a certificate of deposit

**Item 15**

**Selected-Response**

A bank charges 6% interest on personal loans and pays 3% interest on individual savings accounts.

Why is there a difference in the two amounts of interest?

- A. The bank wants to make a profit.
- B. The government regulates interest rates.
- C. The bank wants to encourage people to save.
- D. The government allows a system of credit buying.

**Item 16**

**Selected-Response**

When Jason bought a car and went to register it with the state Department of Motor Vehicles, he needed to show proof of insurance. What kind of insurance did Jason need to have?

- A. disability insurance
- B. automobile insurance
- C. health insurance
- D. life insurance

Item 17

**Selected-Response**

Which trait do **MOST** employers look for when hiring new employees?

- A. punctuality
- B. a fashionable wardrobe
- C. an outgoing personality
- D. financial independence

Item 18

**Multi-Select Technology-Enhanced**

Use the scenarios to answer the question.

Scenario 1: banks that loaned money at a fixed rate
Scenario 2: people on a limited income
Scenario 3: farmers with fixed-rate mortgages
Scenario 4: businesses that profit from credit sales
Scenario 5: convenience stores that sell staple goods
Scenario 6: thrift stores that sell refurbished or used goods

Which **TWO** scenarios would be **MOST** negatively affected by unanticipated inflation?

- A. Scenario 1
- B. Scenario 2
- C. Scenario 3
- D. Scenario 4
- E. Scenario 5
- F. Scenario 6



## Item 19

## Multi-Part Technology-Enhanced

Use the information in the box to answer the questions.

A few years ago, Lori started a small software company. Sales have been steady and the company is considering expanding, but Lori has had trouble hiring and keeping skilled employees.

## Part A

Which action would be the **BEST** way for potential employees to increase their chances of getting a job at Lori's software company?

- A. invest in more education or additional training
- B. specialize in one aspect of production or service
- C. buy stock in the company through payroll deductions
- D. purchase the products or services the company develops

## Part B

If Lori wants to develop a more efficient work force, which action would **MOST LIKELY** help her company accomplish this goal?

- A. increase salaries for supervisors
- B. reduce employee hours and tasks
- C. install more safety and convenience features at the business site
- D. provide employees with professional development opportunities