

Homework Quiz 1 Answers

1) Economics is the study of how people cope with *

- A) greed.
- B) limited time and unlimited income.
- C) scarcity**
- D) unlimited resources
- E) limited human wants

2) Scarcity *

- A) affects only poor people
- B) ensures people become satisfied with less than they want
- C) exists only during a recession
- D) exists only in some countries
- E) requires people to make choices**

3) Which of the following is not considered to be a resource? *

- A) An offshore oil well
- B) A coal mine
- C) A hammer in a carpenter's shop
- D) Money wages**
- E) A university professor

4) Oil found underground in Texas is an example of *

- A) an entrepreneur
- B) a labor resource
- C) land or a natural resource**
- D) a capital resource
- E) human capital

5) For the use of their resources, owners of **land** receive *

- A) rent**
- B) gifts
- C) wages
- D) interest
- E) profit

6) For the use of their resources, owners of **labor** receive *

- A) wages**
- B) rent
- C) gifts
- D) interest
- E) profit

7) For the use of their resources, owners of **capital** receive *

- A) interest**
- B) rent
- C) gifts
- D) profit
- E) wages

8) A skilled worker is an example of *

- A) entrepreneurial ability
- B) capital resources
- C) labor resources**
- D) scarcity
- E) both labor and capital resources

9) A factory is an example of *

- A) capital**
- B) scarcity
- C) entrepreneurial ability
- D) output
- E) enterprise

10) The hardware and software in Amazon.com's "one click" purchase system is an example of *

- A) natural resources
- B) capital**
- C) labor
- D) land
- E) output