

REVIEW: EPISODE 3 - RESOURCES

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Which of the following are scarce resources? 1) _____
A) Top soil
B) Lumber
C) Wind
D) Time
E) All of the above are scarce resources.
- 2) When an economist uses the term "land" , this means 2) _____
A) rural.
B) acreage.
C) natural resources.
D) crops.
E) topsoil.
- 3) Labor includes 3) _____
A) labor by those who earn a wage but not a salary.
B) labor by those who do not have a college degree.
C) the entire pool of physical and mental talents available to produce goods and services.
D) manual labor and mental effort exerted by those without a college degree.
E) manual labor only.
- 4) What are the four categories into which factors of production are grouped? 4) _____
A) land, labor, capital, and entrepreneurship
B) profit, wages, rent, and interest
C) capital, human capital, land, and labor
D) entrepreneurship, profit, labor, and wages
- 5) An example of economic capital is 5) _____
A) equipment that can be used to produce a car.
B) workers digging a trench with shovels and pickaxes.
C) ocean waves used to generate electricity.
D) the knowledge to program in C++.
E) forests used for logging.
- 6) Jim purchased a PC for home use to play games and surf the Internet. The PC would be considered 6) _____
to be
A) human capital.
B) physical capital.
C) labor.
D) land.
E) not a resource.
- 7) Which of the following is NOT a factor of production? 7) _____
A) the wages paid to workers.
B) the management skill of a small business owner.
C) the water used to cool a nuclear power plant.
D) the effort of farmers raising cattle.

8) Which of the following is NOT a factor of production? 8) _____
A) an apartment building B) a university professor
C) mineral resources D) 100 shares of Microsoft stock

9) Factors of production include all of the following EXCEPT _____. 9) _____
A) entrepreneurship B) money
C) machines made in past years D) an wheat field that is not irrigated

10) Copper falls into which factor of production category? 10) _____
A) entrepreneurship B) capital
C) labor D) land