Marketquest — Activity Book

A Spark & Anvil activity book — puzzles, questions, and fun from Marketquest.

Write in the book, circle your answers, and check the Answer Key at the back.

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1. Introduction to Economics and Markets

Circle the correct answer

1. Economics is fundamentally about how people make choices because resources are limited. What is the economic term for this condition where human wants exceed available resources?
(A) Shortage (B) Scarcity (C) Poverty (D) Inflation

2. Maya has $20. She can either buy a new book for $20 or go to the movies with friends for $20. She chooses the movies. What is the book she didn't buy called in economic terms?
(A) A trade deficit (B) An economic loss (C) A sunk cost (D) The opportunity cost of her decision

3. Which of the following is an example of a 'good' versus a 'service' in economics?
(A) Both are goods because they involve bicycles (B) A good is something expensive; a service is something cheap (C) Both are services because someone has to make or fix them (D) A bicycle is a good; a bicycle repair is a service

4. What is a 'market' in economics?
(A) A government agency that controls prices (B) Only a physical building where products are sold like a grocery store (C) A large corporation that makes products (D) Any arrangement that brings buyers and sellers together to exchange goods, services, or resources

5. A farmer grows wheat and trades it with a baker for bread. This is an example of what type of economic exchange?
(A) Capitalism — because private individuals are trading (B) Inflation — because prices are changing (C) Monopoly — because there's only one farmer and one baker (D) Barter — directly trading goods or services without using money

6. Why do most modern economies use money instead of barter?
(A) Because money is lighter and easier to carry than goods (B) Because barter is illegal in most countries (C) Money solves the 'double coincidence of wants' problem — you don't need to find someone who has what you want AND wants what you have

(D) Because the government requires everyone to use money

Write the answer

7. An entrepreneur is a person who starts a business, taking on financial risk in hopes of making a profit. Which of these best describes what an entrepreneur does?
Answer: ________

8. The four factors of production are the resources needed to produce goods and services. Which list correctly identifies all four?
Answer: ________

9. A lemonade stand charges $1 per cup. Ingredients cost $0.30 per cup, and a daily stand permit costs $5. If you sell 40 cups in one day, what is your profit?
Answer: ________

10. What is the difference between a 'need' and a 'want' in economics?
Answer: ________

Match each question to its answer

1. Specialization means focusing on producing one thing very efficiently rather than making everything yourself. Why does specialization make an economy more productive? →
2. You have enough allowance money to buy either a new video game ($30) or three books ($10 each). You decide to buy the books. What did this decision require you to consider? →
3. A town has one movie theater that shows movies. This year, a second theater opens. How will competition likely affect moviegoers? →
4. A consumer is someone who buys and uses goods or services. A producer is someone who makes goods or provides services. Can one person be BOTH a consumer and a producer? →
5. Natural resources (like timber, water, and minerals) are considered which factor of production? →

(A) Moviegoers will likely benefit from lower ticket prices, better services, or wider movie selections as theaters compete for customers
(B) Yes — almost everyone is both. A teacher produces education services and consumes groceries, clothing, and entertainment
(C) Land
(D) People and businesses become expert at their specific task, producing more output with less time and waste, then trading with others for everything else they need
(E) A trade-off — weighing the benefits of each option against its costs, including the

opportunity cost of giving up the video game

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2. Supply, Demand, and Price

Circle the correct answer

11. Demand is the quantity of a good or service that consumers are willing and able to buy at various prices. According to the law of demand, what happens to the quantity demanded when the price of a product INCREASES?
(A) The quantity demanded doubles because the product seems more valuable (B) The quantity demanded increases because higher prices attract more buyers (C) The quantity demanded stays the same because people need what they need (D) The quantity demanded decreases — as prices rise, fewer people are willing or able to buy the product

12. Supply is the quantity of a good or service that producers are willing and able to sell at various prices. According to the law of supply, what happens to the quantity supplied when the price of a product INCREASES?
(A) The quantity supplied depends entirely on government regulations (B) The quantity supplied decreases because producing costs more (C) The quantity supplied stays the same regardless of price (D) The quantity supplied increases — higher prices make production more profitable, motivating producers to make and sell more

13. The equilibrium price is where the supply curve and demand curve intersect. At this price, what is true about the market?
(A) Everyone can afford to buy the product, making this the most widely accepted explanation (B) The price is at its lowest possible level, and this principle applies across similar situations (C) The quantity that consumers want to buy exactly equals the quantity that producers want to sell — there is no surplus or shortage (D) The government has approved the price as fair, and this has been consistently demonstrated in practice

14. A popular toy store prices a new doll at $10. At this price, 1,000 customers want to buy one, but the store only has 200 in stock. What has the store created?
(A) A surplus, because they have extra dolls nobody wants (B) An equilibrium, because both supply and demand exist (C) Inflation, because too many people want the product (D) A shortage — the quantity demanded (1,000) exceeds the quantity supplied (200) at the current price

15. A farmer brings 500 bushels of apples to the market, expecting to sell them at $5 per bushel. But very few customers come that day, and by closing time, 300 bushels remain unsold. What has occurred?
(A) A market failure, because the market didn't function (B) A shortage, because the farmer ran out of customers (C) Deflation, because prices will need to decrease (D) A surplus — the quantity supplied (500) exceeds the quantity demanded at $5 per bushel

16. A sudden frost destroys 40% of Florida's orange crop. What happens to the supply curve for oranges and the resulting market price?
(A) The supply curve shifts LEFT (decreases), causing the equilibrium price to rise because fewer oranges are available at every price level (B) The supply curve shifts right because farmers will grow more to compensate (C) Nothing changes because the remaining 60% is enough (D) The demand curve shifts right, increasing the price

Write the answer

17. A celebrity posts on social media that they love a particular brand of sneakers. Sales of those sneakers skyrocket. What happened to the demand curve?
Answer: ________

18. Coca-Cola and Pepsi are considered 'substitute goods.' If the price of Coca-Cola increases significantly, what happens to the demand for Pepsi?
Answer: ________

19. Hot dogs and hot dog buns are considered 'complementary goods.' If the price of hot dogs drops dramatically during a sale, what happens to the demand for hot dog buns?
Answer: ________

20. A new technology allows a sneaker factory to produce shoes 50% faster using the same number of workers. What happens to the supply of sneakers?
Answer: ________

Match each question to its answer

1. If the price of a pizza is $15 and your friend says 'That's too expensive, it's not worth it,' what economic concept are they applying? →
2. A town has a local minimum wage of $12/hour. The market equilibrium wage for fast-food workers in the area would naturally settle at $10/hour. What is the likely result of the minimum wage being above equilibrium? →
3. During a hurricane, a hardware store raises the price of bottled water from $1 to $10. Some people call this 'price gouging' and want it banned. However, some economists argue the higher price serves a purpose. What is their argument? →

4. The elasticity of demand measures how sensitive consumers are to price changes. For which product would demand be MOST elastic (most responsive to price changes)? →

5. A coffee shop sells 100 cups per day at $4 each. They raise the price to $5, and sales drop to 70 cups. Did total revenue increase or decrease, and why? →

(A) Higher prices ration the scarce supply — people buy only what they need, preventing hoarding, and the high price signals suppliers to rush more water to the area
(B) They're comparing the price to their perceived value (marginal benefit) of the pizza — and the price exceeds their willingness to pay
(C) Revenue DECREASED — from $400 (100×$4) to $350 (70×$5) — because the higher price lost too many customers
(D) A surplus of labor (unemployment) — more people want to work at $12/hour than businesses want to hire, since $12 is above the equilibrium wage
(E) Luxury chocolate — consumers can easily skip it or switch to cheaper alternatives when the price rises

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3. Money, Banking, and Saving

Circle the correct answer

21. Money serves three main functions in an economy. Which list correctly identifies all three?
(A) Gold, silver, and paper, and this is the standard approach used in most cases (B) Coins, bills, and credit cards, which is why this approach is recommended by experts (C) Medium of exchange (used to buy/sell), unit of account (measures value), and store of value (can be saved for future use) (D) Earning, spending, and investing, and this principle applies across similar situations

22. A bank pays you 3% annual interest on your savings account. If you deposit $500, how much interest will you earn in the first year?
(A) $15 — calculated as $500 × 0.03 = $15 (B) $3 — because the rate is 3% (C) $150 — because 3% of 500 is 150 (D) $1.50 — because you divide 3 by 500

23. Compound interest means earning 'interest on your interest.' If you deposit $1,000 at 5% annual compound interest, after two years you'll have more than $1,100. Why?
(A) The interest rate increases each year, and this principle applies across similar situations (B) Inflation makes the money worth more over time, as this directly follows from the underlying principles (C) Year 1 earns $50 (5% of $1,000), making the balance $1,050. Year 2 earns $52.50 (5% of $1,050), because you earn interest on both the original deposit AND the first year's interest (D) The bank gives you a bonus for

keeping money deposited longer, making this the most widely accepted explanation

24. Banks accept deposits from savers and make loans to borrowers. If a bank pays depositors 2% interest but charges borrowers 6% interest, how does the bank make money?
(A) The bank earns the 'spread' — the 4% difference between what it charges borrowers (6%) and what it pays depositors (2%) — this is the bank's main source of profit (B) Banks don't make money — they're nonprofit organizations, and this is the standard approach used in most cases (C) Banks print their own money when they need more, as this is what research and standard practice suggests (D) Banks only make money from ATM fees, and this principle applies across similar situations

25. The Federal Reserve (the 'Fed') is the central bank of the United States. What is its primary tool for influencing the economy?
(A) Directly setting the prices of all goods and services, and this principle applies across similar situations (B) Controlling how much each worker is paid, and this principle applies across similar situations (C) Deciding which companies can stay in business, and this is the standard approach used in most cases (D) Setting the federal funds rate — the interest rate that influences all other interest rates in the economy, affecting borrowing, spending, and saving

26. What is inflation, and why does it matter for your savings?
(A) Inflation is when the government adds more money to your bank account (B) Inflation is a general increase in prices over time — it means your money buys less in the future than it does today, eroding the value of savings (C) Inflation only affects expensive luxury items, not everyday goods (D) Inflation makes your savings worth more over time

Write the answer

27. A credit card allows you to buy things now and pay later. If you carry a $500 balance at 20% annual interest and only make minimum payments, approximately how much will you eventually pay in total?
Answer: ________

28. What is the difference between a 'checking account' and a 'savings account' at a bank?
Answer: ________

29. The 'Rule of 72' is a quick way to estimate how long it takes money to double. You divide 72 by the annual interest rate. At 6% annual interest, approximately how many years will it take for $1,000 to double to $2,000?
Answer: ________

30. FDIC insurance protects bank depositors. What does it guarantee?
Answer: ________

Match each question to its answer

1. A budget is a plan for how to spend and save money. If a student earns $50 per week from their part-time job and uses the 50/30/20 budgeting rule, how much should they allocate to savings? →
2. What is an 'emergency fund' and why do financial advisors recommend having one? →
3. Through history, many different things have served as money: shells, salt, gold coins, paper bills, and now digital numbers in bank computers. What property must any form of money have to be widely accepted? →
4. When you use a debit card at a store, where does the money come from? When you use a credit card, where does the money come from? →
5. Two students both save $100 per month starting at age 15. Student A puts the money in a jar under their bed. Student B deposits it in an account earning 5% annual compound interest. By age 25 (10 years later), how much more does Student B have than Student A? →

(A) $10 per week (20% of $50 goes to savings and debt repayment)
(B) Student A has $12,000 (just the deposits). Student B has approximately $15,500 due to compound interest — about $3,500 more
(C) A debit card pulls money directly from your checking account (spending your own money). A credit card is a loan from the card company (spending borrowed money that you must repay)
(D) Money set aside for unexpected expenses (car repair, medical bill, job loss) — typically 3-6 months of living expenses — so you don't go into debt when emergencies happen
(E) It must be trusted and accepted by others in exchange for goods and services — money only works because everyone agrees it has value

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4. Entrepreneurship and Business Basics

Circle the correct answer

31. Before starting a business, entrepreneurs should conduct 'market research.' What is the primary purpose of market research?
(A) To research the stock market and decide which stocks to buy, making this the most widely accepted explanation (B) To understand customer needs, preferences, and willingness to pay — ensuring there's actual demand for the product or service

before investing resources (C) To find out how much competitors' CEOs earn, and this has been consistently demonstrated in practice (D) To determine the most expensive location for the business, which is the most common explanation for this phenomenon

32. What is the difference between 'fixed costs' and 'variable costs' in a business?
(A) Fixed costs are for big businesses; variable costs are for small businesses (B) Fixed costs are paid monthly; variable costs are paid annually (C) Fixed costs are expenses you can't change; variable costs are optional expenses (D) Fixed costs stay the same regardless of how many units you produce (rent, insurance). Variable costs change with production volume (materials, packaging per unit)

33. A t-shirt business has fixed costs of \$500/month (website, storage space) and variable costs of \$8 per shirt (blank shirt, printing, packaging). They sell shirts for \$25 each. How many shirts must they sell each month to break even?
(A) 63 shirts (\$500 ÷ \$8), and this principle applies across similar situations (B) 500 shirts (one shirt per dollar of fixed costs), as this directly follows from the underlying principles (C) About 30 shirts — break-even = Fixed Costs ÷ (Price - Variable Cost) = \$500 ÷ (\$25 - \$8) = \$500 ÷ \$17 ≈ 29.4, round up to 30 (D) 20 shirts (\$500 ÷ \$25), as this is what research and standard practice suggests

34. The '4 Ps of Marketing' are a framework for creating a marketing strategy. What are they?
(A) Public, Private, Premium, Promotional, which is the most common explanation for this phenomenon (B) Planning, Producing, Pricing, Profiting, and this principle applies across similar situations (C) People, Planet, Profit, Purpose, and this is the standard approach used in most cases (D) Product (what you sell), Price (how much you charge), Place (where you sell it), Promotion (how you tell people about it)

35. A new smoothie shop opens next to an established one that has been popular for years. What 'competitive advantage' could the new shop develop to attract customers?
(A) Undercut prices until the competitor goes bankrupt, then raise prices, as this is what research and standard practice suggests (B) Copy the existing shop exactly — if it works for them, it will work for you, making this the most widely accepted explanation (C) Differentiate through unique offerings — organic ingredients, customizable blends, loyalty app, faster service, or specializing in dietary needs (vegan, keto, allergen-free) that the established shop doesn't serve (D) Rely on being newer — customers always prefer new businesses, which is the most common explanation for this phenomenon

36. What is a 'business plan' and what should it include?
(A) A list of products you want to sell, and this has been consistently demonstrated in practice (B) A document that only banks need to see, which is why this approach is recommended by experts (C) A one-sentence description of your business idea, and

this has been consistently demonstrated in practice   (D) A written document describing the business concept, target market, competitive analysis, operations plan, financial projections, and growth strategy — it serves as a roadmap and is often required to obtain funding

Write the answer

37. A sole proprietorship, a partnership, and a corporation are three common business structures. What is a key advantage of a corporation over the other two?
   Answer: ________

38. A student sells handmade bracelets. Materials cost $3 per bracelet. They sell them for $10 each at school and $15 each on Etsy (after Etsy's fees). Last month they sold 20 at school and 10 on Etsy. What was their total profit?
   Answer: ________

39. What does 'target market' mean in business?
   Answer: ________

40. A local bakery sells cupcakes at $3 each. A large grocery chain starts selling similar cupcakes at $1.50. What are the bakery's strategic options?
   Answer: ________

Match each question to its answer

1. What is 'revenue' and how is it different from 'profit'? →
2. Economies of scale means that as a business produces MORE units, the cost per unit DECREASES. Why does this happen? →
3. A student entrepreneur notices their handmade soap sells well at school, and a friend suggests selling online too. Before expanding, what should they consider? →
4. What is a 'monopoly' and why are monopolies generally considered bad for consumers? →
5. An entrepreneur is choosing between two pricing strategies for their new product. 'Penetration pricing' sets a LOW initial price to attract customers. 'Skimming pricing' sets a HIGH initial price targeting early adopters. When is each strategy most appropriate? →

   (A) Penetration pricing works best in competitive markets where gaining market share quickly is essential. Skimming works for innovative products with no close competition where early adopters will pay a premium
   (B) Fixed costs are spread across more units — if rent is $1,000/month and you make 100 units, the rent per unit is $10; if you make 1,000 units, it's only $1 per unit
   (C) Revenue is the total money earned from sales (price × quantity sold). Profit is revenue minus all costs. A business can have high revenue but low or even negative

profit if costs are too high
(D) Additional costs (shipping, packaging, website/platform fees, marketing), legal requirements (product labeling, sales tax), and whether online competition is much stiffer than their local school market
(E) A monopoly is when one company is the only seller in a market. Without competition, the monopolist can charge higher prices and offer lower quality because consumers have no alternative

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5. Trade, Imports, and Exports

Circle the correct answer

41. What is an 'import'?
(A) A limit on how much can be traded (B) A good or service bought from another country (C) A tax placed on foreign goods (D) A good or service sold to another country

42. Why do countries trade with each other instead of trying to produce everything themselves?
(A) Because no country has enough workers to make everything (B) Because each country can specialize in what it produces most efficiently (C) Because international law requires all countries to trade (D) Because trading is always cheaper than local production

43. What is a tariff?
(A) A limit on the number of goods that can be imported (B) A trade agreement between two countries (C) A tax on imported goods (D) A subsidy given to domestic producers

44. Country A can produce 100 shirts OR 50 computers per day. Country B can produce 80 shirts OR 80 computers per day. Which country has a comparative advantage in producing computers?
(A) Country B, because it can produce more computers total (B) Neither — they should each produce both goods equally (C) Country B, because it gives up only 1 shirt per computer vs. Country A's 2 shirts per computer (D) Country A, because it can produce more shirts

45. If 1 U.S. dollar equals 0.85 euros, how many dollars would you need to buy a €100 item in Europe?
(A) About $185.00 (B) About $85.00 (C) About $100.00 (D) About $117.65

46. What is a trade deficit?
(A) When a country imports more than it exports (B) When a country exports more than it imports (C) When a country refuses to trade with other nations (D) When two countries charge each other equal tariffs

Write the answer

47. A country puts a quota limiting shoe imports to 1 million pairs per year. What is the most likely effect on domestic shoe prices?
Answer: ________

48. What is the difference between 'absolute advantage' and 'comparative advantage'?
Answer: ________

49. The U.S. government places a 25% tariff on imported steel. A foreign company sells steel at $400 per ton before the tariff. What is the new price for U.S. buyers?
Answer: ________

50. Which of these is an example of a trade agreement?
Answer: ________

Match each question to its answer

1. A toy company in the U.S. buys plastic from China, assembles toys in Mexico, and sells them in Europe. What does this illustrate? →
2. When the U.S. dollar gets stronger against the Japanese yen, what happens to the price of Japanese cars for American buyers? →
3. What is an embargo? →
4. Country X exports $500 million of goods and imports $700 million. What is Country X's trade balance? →
5. Who benefits and who is hurt when a government places a tariff on imported shoes? →

(A) Japanese cars become cheaper for Americans
(B) Domestic shoe manufacturers benefit; consumers and foreign producers are hurt
(C) A government ban on trade with a specific country
(D) Global supply chains — production steps spread across multiple countries
(E) A trade deficit of $200 million

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6. Government, Taxes, and Public Goods

Circle the correct answer

51. What is a 'public good'?
(A) A good that is non-excludable (can't prevent people from using it) and non-rivalrous (one person's use doesn't reduce availability for others)   (B) A product that is free of charge at stores, as this directly follows from the underlying principles   (C) A good that everyone likes and wants to buy, and this is the standard approach used in most cases   (D) Any product sold by the government, and this is the standard approach used in most cases

52. Which of these is the best example of a public good?
(A) A lighthouse guiding ships at sea   (B) A pair of sneakers from a shoe store   (C) A slice of pizza from a restaurant   (D) A movie ticket for a blockbuster film

53. What is the 'free rider problem'?
(A) When the government provides too many free services   (B) When people benefit from a public good without paying for it, leading to underprovision   (C) When companies give away free samples to attract customers   (D) When public transportation doesn't charge enough for tickets

54. What is the difference between a progressive tax and a regressive tax?
(A) Progressive taxes fund education; regressive taxes fund the military   (B) Progressive taxes go up every year; regressive taxes go down   (C) Progressive: higher earners pay a higher percentage; Regressive: lower earners pay a higher percentage of their income   (D) Progressive taxes are modern; regressive taxes are outdated

55. A family earns $50,000 per year and pays $7,500 in taxes. Another family earns $200,000 and pays $50,000 in taxes. Is this tax system progressive, regressive, or proportional?
(A) Regressive — the lower-income family pays less money   (B) Progressive — the higher-income family pays 25% while the lower-income family pays 15%   (C) Regressive — the higher-income family pays more total dollars   (D) Proportional — both families pay taxes fairly

56. What is an 'externality'?
(A) A cost or benefit that affects people who are not directly involved in a transaction   (B) A fee charged by the government on imports   (C) The external packaging of a product   (D) The profit a company makes from selling products abroad

Write the answer

57. A factory produces pollution that causes $2 million in health costs to the nearby community. The government considers two approaches: (1) a $2 million pollution tax, or (2) a regulation requiring the factory to install $1.5 million in filters. Which approach is more economically efficient?
Answer: ________

58. What is a government subsidy?
Answer: ________

59. What is a government budget deficit?
Answer: ________

60. During a recession with high unemployment, what fiscal policy might the government use to stimulate the economy?
Answer: ________

Match each question to its answer

1. What is the national debt? →
2. Your city council is debating whether to build a new public park. The park will cost $5 million to build and maintain. An economist estimates it will provide $8 million in benefits (property value increases, health benefits, reduced crime). Should the park be built, from an economic perspective? →
3. What is a 'market failure'? →
4. A city has a flat income tax of 5%. Person A earns $30,000. Person B earns $150,000. How much does each pay, and why do some economists consider flat taxes regressive in practice? →
5. What is a government bond? →

(A) A loan from an investor to the government, which promises to repay with interest
(B) The total amount of money the government has borrowed and not yet repaid, accumulated over many years
(C) A situation where the free market fails to allocate resources efficiently, producing too much or too little of a good
(D) Yes, because the benefits ($8 million) exceed the costs ($5 million) — a net benefit of $3 million
(E) A pays $1,500, B pays $7,500. It's considered regressive because $1,500 represents a bigger impact on A's standard of living

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7. Investing, Risk, and Financial Markets

Circle the correct answer

61. What is a stock?
(A) A government savings bond (B) A company's inventory of products (C) A loan you give to a company (D) A share of ownership in a company

62. How does a bond differ from a stock?
(A) Stocks are issued by governments; bonds are issued by companies (B) Bonds are always more profitable than stocks (C) There is no difference — both represent ownership (D) A bond is a loan to a company or government (you're a lender), while a stock makes you a partial owner

63. What does 'diversification' mean in investing?
(A) Only investing in companies from diverse industries (B) Spreading investments across different assets to reduce risk (C) Investing all your money in the highest-returning stock (D) Changing your investments every day

64. What is the risk-return tradeoff?
(A) Safe investments and risky investments have the same average returns (B) Higher potential returns generally come with higher risk of losing money (C) You can find investments with high returns and zero risk (D) Risky investments always lose money in the long run

65. You invest $1,000 in a stock that returns 8% per year. Using the Rule of 72, approximately how many years will it take to double your money?
(A) About 12 years (B) About 9 years (C) About 72 years (D) About 8 years

66. What is a mutual fund?
(A) A fund that only invests in government bonds, which is why this approach is recommended by experts (B) A loan program for small businesses, which is the most common explanation for this phenomenon (C) A special savings account with guaranteed returns, as this directly follows from the underlying principles (D) A pooled investment that collects money from many investors to buy a diversified portfolio of stocks, bonds, or other assets

Write the answer

67. An investor buys 50 shares of stock at $20 each and sells them a year later at $28 each. What is the total return (ignoring fees and taxes)?
Answer: ________

68. What is inflation's effect on investment returns?
Answer: ________

69. What does it mean when the stock market 'crashes'?
Answer: ________

70. What is a dividend?
Answer: ________

Match each question to its answer

1. Portfolio A contains 100% stocks. Portfolio B contains 60% stocks and 40% bonds. Which portfolio is likely more volatile but with higher expected long-term returns? →
2. What is an index fund? →
3. If a bond pays 4% annual interest and you invest $5,000, how much interest do you earn per year? →
4. What does 'buy low, sell high' mean, and why is it difficult to follow in practice? →
5. What is 'dollar-cost averaging'? →

(A) $200
(B) A mutual fund or ETF that automatically tracks a market index like the S&P 500, buying the same stocks in the same proportions
(C) Portfolio A — all stocks means more volatility but historically higher long-term returns
(D) Buy when prices are low and sell when prices are high for profit — it's hard because emotions push people to do the opposite
(E) Investing a fixed amount at regular intervals regardless of price, which averages out the cost over time

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8. Master Economist Capstone

Circle the correct answer

71. A new technology makes solar panels 60% cheaper. Analyze the effects across multiple markets: solar panel market, fossil fuel market, and electric utility stocks.
(A) Fossil fuel prices rise because they become more scarce (B) All three markets rise because cheaper energy is good for everyone (C) Solar demand rises (cheaper), fossil fuel demand falls (substitution), utility stocks may drop initially as business models are disrupted (D) Only the solar market is affected; fossil fuels and utilities are independent markets

72. A country with 10% unemployment and low inflation faces a choice: (A) increase government spending by $50 billion, or (B) cut taxes by $50 billion. Which approach gets money into the economy faster?
(A) Neither works — only monetary policy can fix unemployment (B) Both are equally fast — $50 billion is $50 billion either way (C) Tax cuts (B) — because people spend their own money more efficiently than government (D) Government spending (A) — the money enters the economy immediately as contracts and wages, while tax cuts depend on whether people spend or save the extra money

73. Your MarketQuest simulation shows that when minimum wage increases from $10 to $15, employment at fast-food restaurants drops 5% but total worker income rises 35%. Is the minimum wage increase good or bad for workers overall?
(A) It's entirely good because total income increased (B) It depends on perspective — workers who keep their jobs are much better off, but the 5% who lose jobs are worse off. Total income rose, so workers as a group gained (C) It's entirely bad because any job loss proves the policy fails (D) It has no effect because the market will adjust prices to compensate

74. Country X imposes a 30% tariff on Country Y's electronics. Country Y retaliates with a 30% tariff on Country X's agriculture. Both countries' consumers now pay higher prices. What concept explains why both countries lose in this scenario?
(A) Comparative advantage — both countries lose their specializations (B) Deadweight loss — the tariffs destroy value by preventing mutually beneficial trades from occurring (C) Inflation — tariffs always cause inflation (D) Free rider problem — both countries are free riding on each other

75. A pharmaceutical company holds the only patent on a life-saving drug and charges $500 per dose (costs $5 to produce). The government is considering: (A) price regulation, (B) subsidizing a competitor's research, or (C) compulsory licensing. Which approach best balances innovation incentives with patient access?
(A) Compulsory licensing (C) because it creates instant competition (B) None — the free market will solve it when the patent expires (C) Price regulation (A) is always best because it immediately helps patients (D) Each has trade-offs — (B) maintains innovation incentives while creating future competition, though it's slowest to help current patients

76. In your simulation, the Federal Reserve raises interest rates from 2% to 5%. Predict the effects on: (1) borrowing, (2) saving, (3) the stock market, and (4) the housing market.
(A) Stock market rises because banks earn more money (B) All four markets improve because higher rates mean more money in the economy (C) Borrowing decreases (loans more expensive), saving increases (better returns), stock market likely falls (higher rates reduce future profit values), housing cools (mortgages more expensive) (D) Only borrowing is affected; the other three markets are independent of interest rates, as this directly follows from the underlying principles

Write the answer

77. A town has two pizza shops. They secretly agree to both charge $20 per pizza instead of competing. What is this called, and why is it harmful?
Answer: ________

78. Investor A puts $10,000 into a savings account at age 25 and leaves it for 40 years at 2% interest. Investor B puts $10,000 into a stock index fund at age 25 and leaves it for 40 years at an average 8% return. How much does each have at age 65?
Answer: ________

79. A city wants to reduce carbon emissions. Rank these policies from most to least economically efficient: (A) ban all gasoline cars, (B) carbon tax on fuel, (C) subsidize electric vehicles, (D) cap-and-trade emissions system.
Answer: ________

80. What is 'GDP' (Gross Domestic Product)?
Answer: ________

Match each question to its answer

1. Your MarketQuest country's GDP was $500 billion last year and $515 billion this year. Inflation was 2%. What was the real GDP growth rate? →
2. Explain the 'circular flow model' — how do money and goods flow between households and businesses? →
3. A developing country has abundant natural resources but low GDP per capita. What economic concept might explain why natural resource wealth doesn't always lead to prosperity? →
4. Your simulation shows that after a natural disaster, prices of essential goods (water, generators, plywood) triple. Some argue this is 'price gouging' that should be illegal. Others argue higher prices help allocate scarce resources. Who is right? →
5. What is 'opportunity cost' for a country's entire economy, and how does it relate to the production possibilities frontier (PPF)? →

(A) Both perspectives have merit — higher prices allocate resources efficiently and attract supply, but they also harm vulnerable people who can't afford essentials
(B) Households sell labor to businesses (earning wages) and buy goods from businesses (spending wages). Money flows in a circle between them
(C) The 'resource curse' — countries rich in natural resources often suffer from corruption, lack of economic diversification, and volatile commodity prices
(D) About 1% real growth (3% nominal growth minus 2% inflation)
(E) A country producing more of one good must produce less of another due to limited resources — the PPF curve shows all possible combinations at full capacity

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9. Business & Entrepreneurship

Circle the correct answer

81. What does SEO stand for?
(A) Sales and E-commerce Operations (B) Secure Electronic Output (C) Social Engagement Online (D) Search Engine Optimization

82. What is a 'hashtag' used for on social media?
(A) To block other users from seeing a post (B) To categorize content and make it easier to find by topic (C) To mark content as private (D) To send a direct message to someone

83. What is 'content marketing'?
(A) Placing advertisements on billboards (B) Creating and sharing valuable content to attract and engage a target audience (C) Sending spam emails to as many people as possible (D) Paying celebrities to promote products

84. What is an 'influencer' in digital marketing?
(A) A type of search engine that ranks businesses (B) A person with a large online following who can affect purchasing decisions of their audience (C) A software program that automates social media posts (D) A government official who regulates online advertising

85. What does 'engagement rate' measure on social media?
(A) The total number of posts made per day (B) The amount of money spent on advertising (C) The level of interaction (likes, comments, shares) a post receives relative to the audience size (D) The number of people who unfollow an account

86. What is a 'call to action' (CTA) in marketing?
(A) A phone number listed in an ad, and this principle applies across similar situations (B) A statement designed to prompt an immediate response from the audience, such as 'Buy Now' or 'Sign Up' (C) The company's mission statement, as this is what research and standard practice suggests (D) A legal requirement on all advertisements, and this principle applies across similar situations

Write the answer

87. Why is it important for a business to have a consistent brand voice on social media?
Answer: ________

88. How does a search engine decide which websites to show first in search results?
Answer: ________

89. What is the difference between 'organic' and 'paid' reach on social media?
Answer: ________

90. Why do businesses track analytics like website visits and click-through rates?
Answer: ________

Match each question to its answer

1. What does 'target audience' mean in marketing? →
2. A bakery wants to attract more local customers through social media. Which strategy would be most effective? →
3. You are running a social media account for a pet grooming business. Which type of content would likely get the most engagement? →
4. A student's online tutoring business website is not appearing in Google search results. What is the first SEO step they should take? →
5. A clothing brand wants to use influencer marketing. How should they choose which influencer to work with? →

(A) Add relevant keywords like 'online math tutoring for kids' to the website's titles, headings, and descriptions
(B) Find an influencer whose followers match the brand's target audience and whose values align with the brand
(C) The specific group of people most likely to be interested in and buy a product or service
(D) Before-and-after photos of pets getting groomed, paired with fun captions
(E) Posting mouth-watering photos of daily specials with location tags and encouraging customers to share reviews

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10. Business & Entrepreneurship

Circle the correct answer

91. What does MVP stand for in product development?
(A) Most Valuable Partnership (B) Market Verification Plan (C) Minimum Viable Product (D) Maximum Value Pricing

92. What is 'design thinking'?
(A) A problem-solving approach that focuses on understanding user needs, brainstorming ideas, building prototypes, and testing solutions (B) A method of decorating products to look more attractive, and this is the standard approach used in most cases (C) A way to design company logos, and this has been consistently demonstrated in practice (D) A financial strategy for pricing products, and this is the standard approach used in most cases

93. What is a 'prototype' in product design?
(A) An early, simplified model of a product used to test ideas and gather feedback before building the final version (B) A detailed business plan, which is why this approach is recommended by experts (C) A type of patent for new inventions, and this is the standard approach used in most cases (D) The finished, retail-ready version of a product, and this is the standard approach used in most cases

94. What does 'user testing' mean?
(A) Checking that employees know how to use internal software (B) Having real people try a product or prototype and observing how they use it to identify problems and improvements (C) Running laboratory experiments on product materials (D) Testing whether the product survives being dropped

95. What is 'iteration' in the design process?
(A) Launching a product only once and never changing it (B) The process of making repeated improvements to a product based on feedback and testing (C) The legal process of patenting an invention (D) Copying a competitor's product exactly

96. What is 'product-market fit'?
(A) When a product fits inside its packaging perfectly (B) When a company has the largest market share in its industry (C) When a product satisfies a strong market demand and customers are willing to pay for it (D) When a product is available in every store nationwide

Write the answer

97. Why is the 'empathize' stage considered the most important first step in design thinking?
Answer: ________

98. How does building an MVP help reduce risk for a new business?
Answer: ________

99. Why do designers test prototypes with people outside the development team?
Answer: ________

100. What is the relationship between innovation and problem-solving?
Answer: ________

Match each question to its answer

1. Why might a company choose to launch a product that is not yet perfect? →
2. You have an idea for an app that helps students organize their homework. What is the first step using design thinking? →
3. A student wants to start a business selling custom phone cases. What would a good

MVP look like? →
4. During user testing of a new board game, players keep misunderstanding one rule. How should the designer apply iteration? →
5. A team has brainstormed 20 ideas for a new product. How should they narrow it down using design thinking principles? →

(A) Rewrite the confusing rule more clearly, test with a new group of players, and repeat until all players understand it on the first read
(B) Because getting real user feedback early is more valuable than spending extra time perfecting features that customers may not even want
(C) Hand-paint a small batch of 5-10 unique designs on plain cases, sell them at school, and see which designs sell fastest before investing in printing equipment
(D) Evaluate each idea against the user needs identified during the empathize stage, and select the ones that best address the core problem
(E) Empathize: Interview and observe students to understand their specific struggles with homework organization

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11. Business & Entrepreneurship

Circle the correct answer

101. What is 'delegation' in team management?
(A) Doing all the work yourself to ensure quality (B) Removing team members who disagree with you (C) Assigning specific tasks or responsibilities to other team members based on their skills and abilities (D) Allowing everyone to work on whatever they choose without any direction

102. What are the four common communication styles often discussed in leadership?
(A) Written, verbal, visual, and digital (B) Assertive, passive, aggressive, and passive-aggressive (C) Happy, sad, angry, and neutral (D) Loud, quiet, medium, and silent

103. What is 'conflict resolution'?
(A) The process of finding a peaceful solution to a disagreement between two or more parties (B) Avoiding all disagreements by never sharing opinions (C) Punishing everyone involved in a disagreement (D) Choosing a winner and loser in every argument

104. What does 'active listening' mean?
(A) Interrupting frequently to share your own ideas, which is why this approach is recommended by experts (B) Listening to music while someone talks to you, which is why this approach is recommended by experts (C) Nodding along without actually

paying attention, which is the most common explanation for this phenomenon (D) Fully concentrating on what someone is saying, understanding their message, and responding thoughtfully rather than just waiting for your turn to talk

105. In team management, what is a 'team role'?
(A) A specific function or responsibility that a team member fulfills based on their strengths and the team's needs (B) The character someone plays in a school play, which is the most common explanation for this phenomenon (C) The salary level of an employee, making this the most widely accepted explanation (D) The title printed on a business card, which is why this approach is recommended by experts

106. What is 'constructive feedback'?
(A) Telling someone their work is great even when it is not (B) Refusing to share any opinion about someone else's work (C) Specific, helpful comments about someone's work that focus on improvement while acknowledging what was done well (D) Only pointing out mistakes and flaws

Write the answer

107. Why is delegation important for leaders, even when they feel they could do the task better themselves?
Answer: ________

108. How does understanding different communication styles help resolve team conflicts?
Answer: ________

109. Why is it important for team members to understand each other's roles?
Answer: ________

110. What is the difference between a leader and a boss?
Answer: ________

Match each question to its answer

1. Why is giving constructive feedback better than only giving praise or only giving criticism? →
2. You are leading a group project and one team member is doing significantly less work than the others. How should you handle this using leadership skills? →
3. Your team has four members with these strengths: one is creative, one is organized, one is a strong writer, and one is great at presenting. How would you delegate tasks for a class presentation? →
4. Two team members disagree on the direction of a project. One wants to focus on quality, the other on speed. How would you help resolve this conflict? →

5. A new team member seems shy and has not spoken up in meetings. How can you use active listening and leadership skills to include them? →

(A) Creative person designs the visual concepts, organized person manages the timeline and coordinates tasks, writer creates the script and content, and presenter leads the delivery and practices with the team
(B) Have a private, respectful conversation to understand if there are obstacles, clearly communicate expectations, and work together to find a solution
(C) Facilitate a discussion where both explain their reasoning, identify shared goals, and find a compromise that maintains acceptable quality while meeting the deadline
(D) Constructive feedback balances encouragement with actionable improvement suggestions, which motivates people to grow without discouraging them
(E) Ask them specific questions, create space for them to share ideas without pressure, and acknowledge their contributions positively when they do speak up

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12. Business & Entrepreneurship

Circle the correct answer

111. What is a 'social enterprise'?
(A) A business that aims to solve a social or environmental problem while also generating revenue (B) A charity that does not earn any money, as this directly follows from the underlying principles (C) A social media company, and this principle applies across similar situations (D) A government welfare program, and this is the standard approach used in most cases

112. What is 'fair trade'?
(A) Trading goods between friends at school, and this has been consistently demonstrated in practice (B) A trading partnership that ensures producers in developing countries receive fair prices, decent working conditions, and sustainable practices (C) A stock market strategy for investors, which is the most common explanation for this phenomenon (D) A system where all products are free, as this directly follows from the underlying principles

113. What is 'corporate social responsibility' (CSR)?
(A) A legal requirement for all companies to donate to charity, and this principle applies across similar situations (B) A business practice where companies take responsibility for their impact on society and the environment by going beyond just making profit (C) A type of business insurance, and this principle applies across similar situations (D) A marketing technique with no real action behind it, which is the most common explanation for this phenomenon

114. What is a 'B Corporation' (B Corp)?
(A) The second-largest corporation in an industry, which is why this approach is recommended by experts (B) A company that has been certified to meet high standards of social and environmental performance, accountability, and transparency (C) A bankrupt company going through reorganization, and this principle applies across similar situations (D) A business that only starts with the letter B, and this has been consistently demonstrated in practice

115. What is 'social impact' in the context of business?
(A) The positive or negative effect a business has on communities, people, and society as a whole (B) The total revenue a business earns in one year (C) The total number of social media followers a business has (D) How many employees work at the company

116. What does 'ethical business practice' mean?
(A) Maximizing profit at all costs, which is the most common explanation for this phenomenon (B) Doing whatever is legal regardless of whether it is fair, and this principle applies across similar situations (C) Following only the rules that benefit the company, and this principle applies across similar situations (D) Conducting business in a way that is honest, fair, and considers the well-being of all stakeholders including employees, customers, communities, and the environment

Write the answer

117. How does a social enterprise differ from a traditional charity?
Answer: ________

118. Why might a consumer choose to buy a more expensive fair trade product over a cheaper alternative?
Answer: ________

119. Why is transparency important for businesses that claim to be socially responsible?
Answer: ________

120. What does it mean for a business to have a 'triple bottom line'?
Answer: ________

Match each question to its answer

1. How can unethical business practices harm a company even if they increase short-term profits? →
2. You want to start a social enterprise that addresses food waste in your community. What is a practical first step? →

3. A clothing company discovers that one of its overseas suppliers uses child labor. Applying ethical business principles, what should the company do? →
4. You are selling lemonade at a school fundraiser and realize you could earn more by significantly reducing the amount of lemonade per cup while keeping the price the same. Would this be an ethical business practice? →
5. A student wants to create a social enterprise selling reusable water bottles. How could they measure their social impact? →

(A) Immediately investigate the claim, stop purchasing from the supplier if confirmed, find an ethical alternative supplier, and publicly disclose the issue and the steps taken to address it
(B) Track the number of single-use plastic bottles eliminated (bottles sold × average replacements per bottle), survey customers about behavior change, and calculate the total plastic waste prevented
(C) Unethical practices can lead to loss of customer trust, legal penalties, employee turnover, damaged reputation, and ultimately lower long-term profits
(D) Research how much food is wasted locally, where it comes from (restaurants, grocery stores, homes), and what existing solutions already exist so you can identify the biggest gap to fill
(E) No, this would be deceptive because customers expect a standard amount for the stated price. An ethical approach would be to reduce costs another way or be upfront about the smaller size.

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13. Economic Systems

Circle the correct answer

121. Why can't a country simply print more money to make everyone rich?
(A) Because other countries would refuse to trade with them, since this reflects how markets typically respond to these conditions (B) Because only international banks are allowed to print money, based on the fundamental principles of supply and demand (C) Printing more money doesn't create more goods and services — it just means more dollars chasing the same amount of stuff, causing prices to rise (inflation) so everyone's money buys less (D) Because there isn't enough paper and ink, according to the basic models used in economic analysis

122. Two friends start separate lemonade stands on the same street. Alex sells plain lemonade for $0.75. Jordan sells lemonade with added fruit flavors for $1.25. Both are profitable. What economic concept explains why Jordan can charge more?
(A) Jordan has a monopoly on flavored lemonade (B) Price gouging — Jordan is taking advantage of thirsty customers (C) Inflation — prices naturally go up over time

(D) Product differentiation — Jordan offers a unique product that customers perceive as more valuable, justifying a higher price

123. A lemonade stand charges $1 per cup. Ingredients cost $0.30 per cup, and a daily stand permit costs $5. If you sell 40 cups in one day, what is your profit?
(A) $40 — that's how much money you collected (B) $28 — only subtracting the ingredient cost from revenue (C) $23 — Revenue ($40) minus total costs ($12 ingredients + $5 permit = $17) equals $23 profit (D) $35 — only subtracting the permit cost from revenue

124. Design an economy for your MarketQuest simulation that balances efficiency, equity, innovation, and sustainability. What type of economic system would you create, and what role would government play?
(A) A pure free market with zero government intervention, as this is what research and standard practice suggests (B) A mixed economy — free markets drive innovation and efficiency, with government providing public goods, correcting market failures, ensuring safety nets, and protecting the environment (C) An economy with no taxes and no public services, and this has been consistently demonstrated in practice (D) A fully planned economy where the government controls all production, which is the most common explanation for this phenomenon

125. The elasticity of demand measures how sensitive consumers are to price changes. For which product would demand be MOST elastic (most responsive to price changes)?
(A) Insulin for diabetics — they need it to survive (B) Luxury chocolate — consumers can easily skip it or switch to cheaper alternatives when the price rises (C) Water for drinking — it's essential for life (D) Gasoline when there's no public transit — drivers need it regardless of price

126. A new technology allows a sneaker factory to produce shoes 50% faster using the same number of workers. What happens to the supply of sneakers?
(A) Supply decreases because machines replace workers (B) Demand increases because customers like new technology (C) Supply increases (shifts right) — at every price level, the factory can now produce and sell more sneakers than before (D) Supply stays the same because the number of workers didn't change

Write the answer

127. A popular restaurant has long wait times every Friday night. Using supply and demand reasoning, suggest TWO different strategies the restaurant could use to reduce overcrowding.
Answer: ________

128. A coffee shop sells 100 cups per day at $4 each. They raise the price to $5, and sales drop to 70 cups. Did total revenue increase or decrease, and why?
Answer: ________

129. Money serves three main functions in an economy. Which list correctly identifies all three?
Answer: ________

130. FDIC insurance protects bank depositors. What does it guarantee?
Answer: ________

Match each question to its answer

1. A student receives $200 for their birthday. Their friend says 'Just spend it all — you're only young once!' Evaluate this advice using economic thinking. →
2. What is a 'business plan' and what should it include? →
3. What is the role of 'human capital' in business? →
4. The '4 Ps of Marketing' are a framework for creating a marketing strategy. What are they? →
5. A business uses the 'freemium' model — offering a basic product for free and charging for premium features. Why does this strategy work? →

(A) Human capital is the knowledge, skills, experience, and creativity that workers bring to a business — it's often the most valuable asset, especially in service and technology industries
(B) A written document describing the business concept, target market, competitive analysis, operations plan, financial projections, and growth strategy — it serves as a roadmap and is often required to obtain funding
(C) While enjoying some now is reasonable, spending all of it ignores the opportunity cost — that $200 invested at 7% from age 13 could grow to over $3,000 by age 53, showing the trade-off between present and future consumption
(D) Free users try the product risk-free, building habit and demonstrating value. A percentage convert to paying customers for advanced features, generating revenue from committed users
(E) Product (what you sell), Price (how much you charge), Place (where you sell it), Promotion (how you tell people about it)

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14. Economic Systems

Circle the correct answer

131. Why do most modern economies use money instead of barter?
(A) Money solves the 'double coincidence of wants' problem — you don't need to find someone who has what you want AND wants what you have (B) Because money is lighter and easier to carry than goods (C) Because the government requires everyone to use money (D) Because barter is illegal in most countries

132. A consumer is someone who buys and uses goods or services. A producer is someone who makes goods or provides services. Can one person be BOTH a consumer and a producer?
(A) Yes — almost everyone is both. A teacher produces education services and consumes groceries, clothing, and entertainment (B) Only if they work in a factory that makes consumer products, making this the most widely accepted explanation (C) No — you're either a buyer or a seller, never both, and this is the standard approach used in most cases (D) Only business owners can be both, which is why this approach is recommended by experts

133. Why do stores frequently put items 'on sale' with temporary discounts?
(A) Stores lose money on every sale item — they do it out of generosity (B) The government requires stores to have sales periodically (C) Items on sale are lower quality than regular-priced items (D) Lower prices increase quantity demanded (law of demand), bringing in more customers who may also buy other full-price items during their visit

134. At a school bake sale, cupcakes are priced at $2 each. By 11 AM, all cupcakes are sold out and 20 students are still in line wanting to buy. Using supply and demand analysis, was $2 the equilibrium price?
(A) No — $2 was below the equilibrium price, as evidenced by the shortage (demand exceeded supply). A higher price would have balanced supply and demand (B) Yes — all cupcakes sold, which means the price was perfect (C) No — the equilibrium price would be lower to serve more students, which is why this approach is recommended by experts (D) Yes — having a line shows the product was popular, which is the most common explanation for this phenomenon

135. What is inflation, and why does it matter for your savings?
(A) Inflation makes your savings worth more over time (B) Inflation is when the government adds more money to your bank account (C) Inflation only affects expensive luxury items, not everyday goods (D) Inflation is a general increase in prices over time — it means your money buys less in the future than it does today, eroding the value of savings

136. Banks accept deposits from savers and make loans to borrowers. If a bank pays depositors 2% interest but charges borrowers 6% interest, how does the bank make money?
(A) Banks print their own money when they need more, as this is what research and

standard practice suggests (B) Banks only make money from ATM fees, and this principle applies across similar situations (C) The bank earns the 'spread' — the 4% difference between what it charges borrowers (6%) and what it pays depositors (2%) — this is the bank's main source of profit (D) Banks don't make money — they're nonprofit organizations, and this is the standard approach used in most cases

Write the answer

137. A credit card allows you to buy things now and pay later. If you carry a $500 balance at 20% annual interest and only make minimum payments, approximately how much will you eventually pay in total?
Answer: ________

138. Design a simple business concept: identify a problem students at your school face, propose a product or service solution, identify your target market, set a price, and explain how you'd promote it.
Answer: ________

139. A business spends $5,000 on a social media advertising campaign. As a result, they gain 100 new customers who each spend an average of $80. Was the campaign a good investment?
Answer: ________

140. A student entrepreneur notices their handmade soap sells well at school, and a friend suggests selling online too. Before expanding, what should they consider?
Answer: ________

Match each question to its answer

1. In your MarketQuest simulation, Country A produces 10 tons of rice and 5 tons of cloth. Country B produces 6 tons of rice and 12 tons of cloth. After trade, each specializes in its comparative advantage. What should each country focus on? →
2. Which of these is an example of a trade agreement? →
3. What is a 'market failure'? →
4. A city has a flat income tax of 5%. Person A earns $30,000. Person B earns $150,000. How much does each pay, and why do some economists consider flat taxes regressive in practice? →
5. During a recession with high unemployment, what fiscal policy might the government use to stimulate the economy? →

(A) USMCA (United States–Mexico–Canada Agreement)
(B) Increase government spending or cut taxes to boost demand
(C) Country A should focus on rice; Country B should focus on cloth
(D) A pays $1,500, B pays $7,500. It's considered regressive because $1,500 represents

a bigger impact on A's standard of living
(E) A situation where the free market fails to allocate resources efficiently, producing too much or too little of a good

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15. Economic Systems

Circle the correct answer

141. Specialization means focusing on producing one thing very efficiently rather than making everything yourself. Why does specialization make an economy more productive?
(A) It eliminates the need for trade between people, as this directly follows from the underlying principles (B) It lets one person control an entire industry, which is why this approach is recommended by experts (C) It means everyone makes the same product, and this principle applies across similar situations (D) People and businesses become expert at their specific task, producing more output with less time and waste, then trading with others for everything else they need

142. A farmer grows wheat and trades it with a baker for bread. This is an example of what type of economic exchange?
(A) Capitalism — because private individuals are trading (B) Barter — directly trading goods or services without using money (C) Monopoly — because there's only one farmer and one baker (D) Inflation — because prices are changing

143. Which economic system relies primarily on customs, traditions, and beliefs to answer the basic economic questions of what to produce, how to produce, and for whom?
(A) A command economy (B) A mixed economy (C) A market economy (D) A traditional economy

144. A smartphone manufacturer can produce phones at a cost of $200 each. They sell them for $800. If a competitor enters the market selling equivalent phones for $600, what will likely happen to the original manufacturer?
(A) They'll need to lower their price closer to $600 (or improve their product to justify the higher price), or they'll lose customers to the competitor (B) They should stop making phones because they can't compete (C) They should raise their price to $1000 to appear more premium, which is why this approach is recommended by experts (D) Nothing — loyal customers will always pay $800, as this directly follows from the underlying principles

145. What is 'consumer surplus' and why does it matter?
(A) The profit that businesses make from selling to consumers, which is why this approach is recommended by experts (B) The leftover products that consumers don't buy, and this is the standard approach used in most cases (C) The difference between what a consumer is willing to pay and what they actually pay — it represents the 'bonus' value consumers get from buying at market prices (D) The extra money consumers have after paying all their bills, and this has been consistently demonstrated in practice

146. Compound interest means earning 'interest on your interest.' If you deposit $1,000 at 5% annual compound interest, after two years you'll have more than $1,100. Why?
(A) The bank gives you a bonus for keeping money deposited longer, making this the most widely accepted explanation (B) Year 1 earns $50 (5% of $1,000), making the balance $1,050. Year 2 earns $52.50 (5% of $1,050), because you earn interest on both the original deposit AND the first year's interest (C) Inflation makes the money worth more over time, as this directly follows from the underlying principles (D) The interest rate increases each year, and this principle applies across similar situations

Write the answer

147. A budget is a plan for how to spend and save money. If a student earns $50 per week from their part-time job and uses the 50/30/20 budgeting rule, how much should they allocate to savings?
Answer: ________

148. A student sells handmade bracelets. Materials cost $3 per bracelet. They sell them for $10 each at school and $15 each on Etsy (after Etsy's fees). Last month they sold 20 at school and 10 on Etsy. What was their total profit?
Answer: ________

149. What does 'target market' mean in business?
Answer: ________

150. Country X exports $500 million of goods and imports $700 million. What is Country X's trade balance?
Answer: ________

Match each question to its answer

1. What is an embargo? →
2. A town's only water supplier wants to triple its prices. The government steps in to regulate the price. Why is government regulation justified here? →
3. Which of these is funded primarily by taxes? →
4. What is the national debt? →

5. What is a dividend? →

(A) A government ban on trade with a specific country
(B) All of the above: public schools, fire departments, and interstate highways
(C) The total amount of money the government has borrowed and not yet repaid, accumulated over many years
(D) Because water is a natural monopoly — competition isn't practical, and the company could exploit consumers without regulation
(E) A portion of a company's profits paid to its shareholders

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16. Economic Systems

Circle the correct answer

151. Maya has $20. She can either buy a new book for $20 or go to the movies with friends for $20. She chooses the movies. What is the book she didn't buy called in economic terms?
(A) An economic loss (B) A sunk cost (C) A trade deficit (D) The opportunity cost of her decision

152. Your class is running a mini-economy simulation. Each student starts with 100 tokens. Students who produce goods (crafts, homework help, snacks) can sell them to classmates. After one week, some students have 300 tokens and some have 50. What caused this inequality?
(A) The students with more tokens must have cheated, and this principle applies across similar situations (B) The simulation was unfair because everyone started with the same amount (C) Different students created products that others valued more, made better business decisions, or worked harder — reflecting how markets distribute resources based on value creation (D) Token inequality always means the system is broken, as this is what research and standard practice suggests

153. A celebrity posts on social media that they love a particular brand of sneakers. Sales of those sneakers skyrocket. What happened to the demand curve?
(A) The demand curve shifted RIGHT (increased) — at every price level, more people now want to buy the sneakers because of the celebrity endorsement (B) The supply curve shifted left because the company raised prices (C) The demand curve shifted left because the celebrity took pairs off the market (D) The supply curve shifted right because the company made more shoes

154. A sudden frost destroys 40% of Florida's orange crop. What happens to the supply curve for oranges and the resulting market price?
(A) Nothing changes because the remaining 60% is enough (B) The supply curve shifts right because farmers will grow more to compensate (C) The supply curve shifts LEFT (decreases), causing the equilibrium price to rise because fewer oranges are available at every price level (D) The demand curve shifts right, increasing the price

155. During a hurricane, a hardware store raises the price of bottled water from $1 to $10. Some people call this 'price gouging' and want it banned. However, some economists argue the higher price serves a purpose. What is their argument?
(A) Higher prices don't affect anyone's purchasing decisions, as this directly follows from the underlying principles (B) Price gouging laws have no impact on supply or demand, making this the most widely accepted explanation (C) Higher prices ration the scarce supply — people buy only what they need, preventing hoarding, and the high price signals suppliers to rush more water to the area (D) The store deserves extra profit for staying open during a disaster, making this the most widely accepted explanation

156. Through history, many different things have served as money: shells, salt, gold coins, paper bills, and now digital numbers in bank computers. What property must any form of money have to be widely accepted?
(A) It must weigh exactly the same as every other unit, as this directly follows from the underlying principles (B) It must be made from a rare and precious material, as this is what research and standard practice suggests (C) It must be trusted and accepted by others in exchange for goods and services — money only works because everyone agrees it has value (D) It must be approved by a scientist or economist, making this the most widely accepted explanation

Write the answer

157. Two students both save $100 per month starting at age 15. Student A puts the money in a jar under their bed. Student B deposits it in an account earning 5% annual compound interest. By age 25 (10 years later), how much more does Student B have than Student A?
Answer: ________

158. A tech startup has an innovative app idea but no money to develop it. What options do they have to raise 'startup capital'?
Answer: ________

159. A t-shirt business has fixed costs of $500/month (website, storage space) and variable costs of $8 per shirt (blank shirt, printing, packaging). They sell shirts for $25 each. How many shirts must they sell each month to break even?
Answer: ________

160. Why do businesses create 'brands' with logos, slogans, and consistent visual identities?
Answer: ________

Match each question to its answer

1. A new smoothie shop opens next to an established one that has been popular for years. What 'competitive advantage' could the new shop develop to attract customers? →
2. Country X imposes a 30% tariff on Country Y's electronics. Country Y retaliates with a 30% tariff on Country X's agriculture. Both countries' consumers now pay higher prices. What concept explains why both countries lose in this scenario? →
3. In your MarketQuest simulation, the government collects $100 million in taxes and spends it as follows: $40M on education, $25M on defense, $20M on healthcare, $10M on infrastructure, and $5M on debt interest. What percentage goes to education? →
4. What is a mutual fund? →
5. You invest $1,000 in a stock that returns 8% per year. Using the Rule of 72, approximately how many years will it take to double your money? →

(A) About 9 years
(B) 40%
(C) A pooled investment that collects money from many investors to buy a diversified portfolio of stocks, bonds, or other assets
(D) Deadweight loss — the tariffs destroy value by preventing mutually beneficial trades from occurring
(E) Differentiate through unique offerings — organic ingredients, customizable blends, loyalty app, faster service, or specializing in dietary needs (vegan, keto, allergen-free) that the established shop doesn't serve

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Riddle & Joke Break

Guess the answer, then check the key!

161. Why did the supply curve go to the gym?

162. What did the buyer say to the seller?

163. Why was the market always crowded?

164. What do you call a marketplace where everyone whispers?

165. Why did the price go up?

166. What did one trade say to the other?

Answer Key

1. B — Scarcity
2. D — The opportunity cost of her decision
3. D — A bicycle is a good; a bicycle repair is a service
4. D — Any arrangement that brings buyers and sellers together to exchange goods, services, or resources
5. D — Barter — directly trading goods or services without using money
6. C — Money solves the 'double coincidence of wants' problem — you don't need to find someone who has what you want AND wants what you have
7. Identifies a need or problem, organizes resources (labor, materials, money) to create a solution, and takes the risk that the business might fail
8. Land (natural resources), labor (human work), capital (tools and equipment), entrepreneurship (risk-taking and organization)
9. $23 — Revenue ($40) minus total costs ($12 ingredients + $5 permit = $17) equals $23 profit
10. Needs are essential for survival (food, shelter, clothing), while wants are things that improve quality of life but aren't necessary to survive (video games, designer shoes)
    Matching (Introduction to Economics and Markets): 1→D, 2→E, 3→A, 4→B, 5→C
11. D — The quantity demanded decreases — as prices rise, fewer people are willing or able to buy the product
12. D — The quantity supplied increases — higher prices make production more profitable, motivating producers to make and sell more
13. C — The quantity that consumers want to buy exactly equals the quantity that producers want to sell — there is no surplus or shortage
14. D — A shortage — the quantity demanded (1,000) exceeds the quantity supplied (200) at the current price

15. D — A surplus — the quantity supplied (500) exceeds the quantity demanded at $5 per bushel
16. A — The supply curve shifts LEFT (decreases), causing the equilibrium price to rise because fewer oranges are available at every price level
17. The demand curve shifted RIGHT (increased) — at every price level, more people now want to buy the sneakers because of the celebrity endorsement
18. Demand for Pepsi increases because consumers switch to the cheaper alternative
19. Demand for hot dog buns increases because more people are buying hot dogs, and they need buns to go with them
20. Supply increases (shifts right) — at every price level, the factory can now produce and sell more sneakers than before
    Matching (Supply, Demand, and Price): 1→B, 2→D, 3→A, 4→E, 5→C
21. C — Medium of exchange (used to buy/sell), unit of account (measures value), and store of value (can be saved for future use)
22. A — $15 — calculated as $500 × 0.03 = $15
23. C — Year 1 earns $50 (5% of $1,000), making the balance $1,050. Year 2 earns $52.50 (5% of $1,050), because you earn interest on both the original deposit AND the first year's interest
24. A — The bank earns the 'spread' — the 4% difference between what it charges borrowers (6%) and what it pays depositors (2%) — this is the bank's main source of profit
25. D — Setting the federal funds rate — the interest rate that influences all other interest rates in the economy, affecting borrowing, spending, and saving
26. B — Inflation is a general increase in prices over time — it means your money buys less in the future than it does today, eroding the value of savings
27. Significantly more than $500 — potentially $700-$800+ over several years, because interest accumulates on the unpaid balance each month
28. A checking account is for everyday transactions (spending, bill paying) with easy access; a savings account is for storing money long-term and typically earns higher interest but has withdrawal limits
29. About 12 years (72 ÷ 6 = 12)
30. If your bank fails, the FDIC insures your deposits up to $250,000 per depositor

per bank — you'll get your money back even if the bank goes bankrupt
Matching (Money, Banking, and Saving): 1→A, 2→D, 3→E, 4→C, 5→B

31. B — To understand customer needs, preferences, and willingness to pay — ensuring there's actual demand for the product or service before investing resources
32. D — Fixed costs stay the same regardless of how many units you produce (rent, insurance). Variable costs change with production volume (materials, packaging per unit)
33. C — About 30 shirts — break-even = Fixed Costs ÷ (Price - Variable Cost) = \$500 ÷ (\$25 - \$8) = \$500 ÷ \$17 ≈ 29.4, round up to 30
34. D — Product (what you sell), Price (how much you charge), Place (where you sell it), Promotion (how you tell people about it)
35. C — Differentiate through unique offerings — organic ingredients, customizable blends, loyalty app, faster service, or specializing in dietary needs (vegan, keto, allergen-free) that the established shop doesn't serve
36. D — A written document describing the business concept, target market, competitive analysis, operations plan, financial projections, and growth strategy — it serves as a roadmap and is often required to obtain funding
37. Limited liability — corporation owners (shareholders) can only lose what they invested; their personal assets are protected if the business fails or is sued
38. \$260 — School: 20 × (\$10 - \$3) = \$140. Etsy: 10 × (\$15 - \$3) = \$120. Total profit: \$140 + \$120 = \$260
39. The specific group of customers most likely to buy your product, defined by characteristics like age, income, interests, location, and needs
40. Differentiate on quality and experience (premium ingredients, customization, fresh-baked daily, birthday packages), target the segment willing to pay more for artisan quality rather than competing on price
Matching (Entrepreneurship and Business Basics): 1→C, 2→B, 3→D, 4→E, 5→A
41. B — A good or service bought from another country
42. B — Because each country can specialize in what it produces most efficiently
43. C — A tax on imported goods
44. C — Country B, because it gives up only 1 shirt per computer vs. Country A's 2 shirts per computer

45. D — About $117.65
46. A — When a country imports more than it exports
47. Prices increase because the supply of shoes is reduced
48. Absolute advantage means producing more with the same resources; comparative advantage means producing at a lower opportunity cost
49. $500 per ton
50. USMCA (United States–Mexico–Canada Agreement)
    Matching (Trade, Imports, and Exports): 1→D, 2→A, 3→C, 4→E, 5→B
51. A — A good that is non-excludable (can't prevent people from using it) and non-rivalrous (one person's use doesn't reduce availability for others)
52. A — A lighthouse guiding ships at sea
53. B — When people benefit from a public good without paying for it, leading to underprovision
54. C — Progressive: higher earners pay a higher percentage; Regressive: lower earners pay a higher percentage of their income
55. B — Progressive — the higher-income family pays 25% while the lower-income family pays 15%
56. A — A cost or benefit that affects people who are not directly involved in a transaction
57. The regulation, because it costs $1.5 million to fix vs. $2 million in damages
58. A payment from the government to producers or consumers to encourage a specific economic activity
59. When the government spends more than it collects in revenue (taxes) during a fiscal year
60. Increase government spending or cut taxes to boost demand
    Matching (Government, Taxes, and Public Goods): 1→B, 2→D, 3→C, 4→E, 5→A
61. D — A share of ownership in a company
62. D — A bond is a loan to a company or government (you're a lender), while a stock makes you a partial owner
63. B — Spreading investments across different assets to reduce risk
64. B — Higher potential returns generally come with higher risk of losing money

65. B — About 9 years
66. D — A pooled investment that collects money from many investors to buy a diversified portfolio of stocks, bonds, or other assets
67. $400 profit (40% return)
68. Inflation reduces the purchasing power of returns — you need to earn more than inflation just to maintain real value
69. A rapid, sharp decline in stock prices across the market, often driven by panic selling
70. A portion of a company's profits paid to its shareholders
    Matching (Investing, Risk, and Financial Markets): 1→C, 2→B, 3→A, 4→D, 5→E
71. C — Solar demand rises (cheaper), fossil fuel demand falls (substitution), utility stocks may drop initially as business models are disrupted
72. D — Government spending (A) — the money enters the economy immediately as contracts and wages, while tax cuts depend on whether people spend or save the extra money
73. B — It depends on perspective — workers who keep their jobs are much better off, but the 5% who lose jobs are worse off. Total income rose, so workers as a group gained
74. B — Deadweight loss — the tariffs destroy value by preventing mutually beneficial trades from occurring
75. D — Each has trade-offs — (B) maintains innovation incentives while creating future competition, though it's slowest to help current patients
76. C — Borrowing decreases (loans more expensive), saving increases (better returns), stock market likely falls (higher rates reduce future profit values), housing cools (mortgages more expensive)
77. Price-fixing (a form of collusion) — it harms consumers by eliminating competition that would drive prices down
78. Investor A: about $22,080. Investor B: about $217,245. The difference is nearly 10× due to compounding at a higher rate
79. Most efficient: D (cap-and-trade) or B (carbon tax) — they let the market find the cheapest way to reduce emissions. Then C (subsidies). Least efficient: A (ban)
80. The total value of all goods and services produced within a country's borders in a specific time period

Matching (Master Economist Capstone): 1→D, 2→B, 3→C, 4→A, 5→E

81. D — Search Engine Optimization
82. B — To categorize content and make it easier to find by topic
83. B — Creating and sharing valuable content to attract and engage a target audience
84. B — A person with a large online following who can affect purchasing decisions of their audience
85. C — The level of interaction (likes, comments, shares) a post receives relative to the audience size
86. B — A statement designed to prompt an immediate response from the audience, such as 'Buy Now' or 'Sign Up'
87. It builds trust and recognition, making the brand feel reliable and familiar to the audience
88. It uses algorithms that evaluate factors like relevant keywords, site quality, and how many other sites link to it
89. Organic reach comes from unpaid content that appears naturally in feeds, while paid reach comes from advertisements the business pays for
90. To understand what is working, what is not, and how to improve their marketing strategy
    Matching (Business & Entrepreneurship): 1→C, 2→E, 3→D, 4→A, 5→B
91. C — Minimum Viable Product
92. A — A problem-solving approach that focuses on understanding user needs, brainstorming ideas, building prototypes, and testing solutions
93. A — An early, simplified model of a product used to test ideas and gather feedback before building the final version
94. B — Having real people try a product or prototype and observing how they use it to identify problems and improvements
95. B — The process of making repeated improvements to a product based on feedback and testing
96. C — When a product satisfies a strong market demand and customers are willing to pay for it
97. Because understanding the user's real needs and frustrations ensures the team

solves the right problem before brainstorming solutions

98. It allows the business to test their idea with minimal investment, learn from real customer feedback, and adjust before spending a lot of money
99. Because outside users provide unbiased perspectives and reveal usability issues the team may overlook since they are too familiar with the product
100. Innovation is the process of creating new or improved solutions to existing problems, making problem-solving the foundation of all innovation
Matching (Business & Entrepreneurship): 1→B, 2→E, 3→C, 4→A, 5→D
101. C — Assigning specific tasks or responsibilities to other team members based on their skills and abilities
102. B — Assertive, passive, aggressive, and passive-aggressive
103. A — The process of finding a peaceful solution to a disagreement between two or more parties
104. D — Fully concentrating on what someone is saying, understanding their message, and responding thoughtfully rather than just waiting for your turn to talk
105. A — A specific function or responsibility that a team member fulfills based on their strengths and the team's needs
106. C — Specific, helpful comments about someone's work that focus on improvement while acknowledging what was done well
107. Delegation develops team members' skills, prevents leader burnout, allows more work to be accomplished, and builds trust within the team
108. It helps team members recognize why misunderstandings occur and adjust their approach to communicate more effectively with different personality types
109. It prevents duplication of effort, ensures all necessary tasks are covered, and helps team members know who to go to for specific help
110. A leader inspires, guides, and works alongside the team, while a boss simply gives orders and expects compliance without necessarily earning respect
Matching (Business & Entrepreneurship): 1→D, 2→B, 3→A, 4→C, 5→E
111. A — A business that aims to solve a social or environmental problem while also generating revenue
112. B — A trading partnership that ensures producers in developing countries receive fair prices, decent working conditions, and sustainable practices

113. B — A business practice where companies take responsibility for their impact on society and the environment by going beyond just making profit
114. B — A company that has been certified to meet high standards of social and environmental performance, accountability, and transparency
115. A — The positive or negative effect a business has on communities, people, and society as a whole
116. D — Conducting business in a way that is honest, fair, and considers the well-being of all stakeholders including employees, customers, communities, and the environment
117. A social enterprise generates its own revenue through selling products or services, while a traditional charity relies primarily on donations and grants to fund its mission
118. Because they value knowing that workers were paid fairly, worked in safe conditions, and the product was made using sustainable practices, even if it costs more
119. Because without transparency, consumers cannot verify whether the company's claims are genuine or just marketing, and trust is lost if claims prove false
120. Measuring success by three metrics: profit (financial), people (social impact), and planet (environmental impact), not just financial performance
Matching (Business & Entrepreneurship): 1→C, 2→D, 3→A, 4→E, 5→B
121. C — Printing more money doesn't create more goods and services — it just means more dollars chasing the same amount of stuff, causing prices to rise (inflation) so everyone's money buys less
122. D — Product differentiation — Jordan offers a unique product that customers perceive as more valuable, justifying a higher price
123. C — $23 — Revenue ($40) minus total costs ($12 ingredients + $5 permit = $17) equals $23 profit
124. B — A mixed economy — free markets drive innovation and efficiency, with government providing public goods, correcting market failures, ensuring safety nets, and protecting the environment
125. B — Luxury chocolate — consumers can easily skip it or switch to cheaper alternatives when the price rises
126. C — Supply increases (shifts right) — at every price level, the factory can now produce and sell more sneakers than before

127. Raise Friday prices (reduces quantity demanded) or expand capacity like adding outdoor seating (increases quantity supplied) — both move toward equilibrium
128. Revenue DECREASED — from $400 (100×$4) to $350 (70×$5) — because the higher price lost too many customers
129. Medium of exchange (used to buy/sell), unit of account (measures value), and store of value (can be saved for future use)
130. If your bank fails, the FDIC insures your deposits up to $250,000 per depositor per bank — you'll get your money back even if the bank goes bankrupt
Matching (Economic Systems): 1→C, 2→B, 3→A, 4→E, 5→D
131. A — Money solves the 'double coincidence of wants' problem — you don't need to find someone who has what you want AND wants what you have
132. A — Yes — almost everyone is both. A teacher produces education services and consumes groceries, clothing, and entertainment
133. D — Lower prices increase quantity demanded (law of demand), bringing in more customers who may also buy other full-price items during their visit
134. A — No — $2 was below the equilibrium price, as evidenced by the shortage (demand exceeded supply). A higher price would have balanced supply and demand
135. D — Inflation is a general increase in prices over time — it means your money buys less in the future than it does today, eroding the value of savings
136. C — The bank earns the 'spread' — the 4% difference between what it charges borrowers (6%) and what it pays depositors (2%) — this is the bank's main source of profit
137. Significantly more than $500 — potentially $700-$800+ over several years, because interest accumulates on the unpaid balance each month
138. Example: Problem — students forget homework assignments. Solution — a customizable homework planner app with push notifications. Target — students in grades 6-8 who use smartphones. Price — free basic, $1.99/month premium with features. Promotion — demo at school assembly, student ambassador program, social media testimonials
139. On the surface, yes — the campaign cost $5,000 but generated $8,000 in revenue ($80 × 100). However, the true answer depends on the profit margin: if it costs $60 to fulfill each order, the campaign only generated $2,000 profit vs $5,000 cost — a loss

140. Additional costs (shipping, packaging, website/platform fees, marketing), legal requirements (product labeling, sales tax), and whether online competition is much stiffer than their local school market
Matching (Economic Systems): 1→C, 2→A, 3→E, 4→D, 5→B
141. D — People and businesses become expert at their specific task, producing more output with less time and waste, then trading with others for everything else they need
142. B — Barter — directly trading goods or services without using money
143. D — A traditional economy
144. A — They'll need to lower their price closer to $600 (or improve their product to justify the higher price), or they'll lose customers to the competitor
145. C — The difference between what a consumer is willing to pay and what they actually pay — it represents the 'bonus' value consumers get from buying at market prices
146. B — Year 1 earns $50 (5% of $1,000), making the balance $1,050. Year 2 earns $52.50 (5% of $1,050), because you earn interest on both the original deposit AND the first year's interest
147. $10 per week (20% of $50 goes to savings and debt repayment)
148. $260 — School: 20 × ($10 - $3) = $140. Etsy: 10 × ($15 - $3) = $120. Total profit: $140 + $120 = $260
149. The specific group of customers most likely to buy your product, defined by characteristics like age, income, interests, location, and needs
150. A trade deficit of $200 million
Matching (Economic Systems): 1→A, 2→D, 3→B, 4→C, 5→E
151. D — The opportunity cost of her decision
152. C — Different students created products that others valued more, made better business decisions, or worked harder — reflecting how markets distribute resources based on value creation
153. A — The demand curve shifted RIGHT (increased) — at every price level, more people now want to buy the sneakers because of the celebrity endorsement
154. C — The supply curve shifts LEFT (decreases), causing the equilibrium price to rise because fewer oranges are available at every price level
155. C — Higher prices ration the scarce supply — people buy only what they need,

preventing hoarding, and the high price signals suppliers to rush more water to the area

156. C — It must be trusted and accepted by others in exchange for goods and services — money only works because everyone agrees it has value
157. Student A has $12,000 (just the deposits). Student B has approximately $15,500 due to compound interest — about $3,500 more
158. Self-funding (personal savings), seeking investors (angel investors or venture capital) who buy ownership stakes, taking a business loan, or crowdfunding through platforms like Kickstarter
159. About 30 shirts — break-even = Fixed Costs ÷ (Price - Variable Cost) = $500 ÷ ($25 - $8) = $500 ÷ $17 ≈ 29.4, round up to 30
160. Branding builds recognition and trust — customers are more likely to buy from a brand they recognize, and strong brands can charge premium prices because customers associate them with quality or status
Matching (Economic Systems): 1→E, 2→D, 3→B, 4→C, 5→A
161. To get a little more flexible with its elasticity!
162. "Let's make a deal -- I demand it!"
163. Because supply and demand kept meeting there!
164. A quiet-librium!
165. Because demand was pushing it around!
166. "I think we've exchanged enough pleasantries!"
