

**Question 1a of 10** ( 1 Profit 209925 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following accurately explains how profit is calculated?

	Choice	Feedback
A.	Total retail sales are determined.	
* B.	Costs are subtracted from revenues.	Correct! Profit is revenue minus costs.
C.	Benefits and costs are balanced.	
D.	Gross domestic product is calculated.	

**Global Incorrect Feedback**

The correct answer is: Costs are subtracted from revenues. Profit is revenue minus costs.

**Question 1b of 10** ( 1 Profit 209926 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following explains how revenue is determined?

	Choice	Feedback
A.	The maximum level of benefits is figured.	
B.	Costs are subtracted from revenues.	
C.	Gross domestic product is calculated.	
* D.	The total amount of money brought in by sales.	Correct! Revenue is the amount of money a business brings in.

**Global Incorrect Feedback**

The correct answer is: The total amount of money brought in by sales. Revenue is the amount of money a business brings in.

**Question 1c of 10** ( 1 Profit 209927 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following directly generates revenue for a business?

	Choice	Feedback
* A.	Output	Correct! Output is whatever a business can sell to bring in money.
B.	Assets	
C.	Capital	
D.	Resources	

**Global Incorrect Feedback**

The correct answer is: Output. Output is whatever a business can sell to bring in money.

**Question 2a of 10** ( 2 Profit 209928 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following is the main force behind the decisions made by producers in a free-market society?

	Choice	Feedback
A.	Maximizing benefits	
B.	Serving customers	
* C.	The profit motive	Correct! The quest for profit drives producers in a free-market system.
D.	Reducing opportunity costs	

**Global Incorrect Feedback**

The correct answer is: The profit motive. The quest for profit drives producers in a free-market system.

### Question 2b of 10 ( 2 Profit 209929 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following best explains what the profit motive pushes producers to do?

	Choice	Feedback
* A.	Minimize costs and maximize revenue.	Correct! Profit is calculated by subtracting costs from revenue.
B.	Produce as much as possible.	
C.	Achieve the maximum revenue.	
D.	Balance monetary and non-monetary benefits.	

#### Global Incorrect Feedback

The correct answer is: Minimize costs and maximize revenue. Profit is calculated by subtracting costs from revenue.

### Question 2c of 10 ( 2 Profit 209930 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following identifies the reason why producers try to minimize costs and maximize revenue?

	Choice	Feedback
A.	Government regulations	
B.	Market research	
C.	Product placement	
* D.	The profit motive	Correct! The quest for profit drives producers in a free-market system.

#### Global Incorrect Feedback

The correct answer is: The profit motive. The quest for profit drives producers in a free-market system.

### Question 3a of 10 ( 1 PPF 209931 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following tools helps a producer set up an efficient system of production?

	Choice	Feedback
* A.	A production possibilities frontier graph.	Correct! A production possibilities frontier graph shows the maximum amounts of two or more goods a person or group of people can produce given the inputs available.
B.	A market research department.	
C.	An electric-powered assembly line.	
D.	A determination of opportunity costs.	

#### Global Incorrect Feedback

The correct answer is: A production possibilities frontier graph. A production possibilities frontier graph shows the maximum amounts of two or more goods a person or group of people can produce given the inputs available.

### Question 3b of 10 ( 1 PPF 209932 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following best states the purpose of using a production possibilities frontier?

	Choice	Feedback
A.	Pursuing the profit motive	
B.	Maximizing revenue	
C.	Balancing economic goals	
* D.	Setting up efficient production	Correct! A production possibilities frontier graph shows the maximum amounts of two or more goods a person or group of people can produce given the inputs available.

#### Global Incorrect Feedback

The correct answer is: Setting up efficient production. A production possibilities frontier graph shows the maximum amounts of two or

more goods a person or group of people can produce given the inputs available.

**Question 3c of 10** ( 1 PPF 209933 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following statements best explains how using a production possibilities frontier (PPF) helps set up efficient production?

	Choice	Feedback
A.	A PPF helps predict whether gross domestic product is rising or falling.	
*B.	A PPF shows the maximum amount of goods that can be produced with a given set of inputs.	Correct! The PPF helps reduce waste by maximizing output.
C.	A PPF allows a producer to calculate the cost of producing one more unit of goods.	
D.	A PPF allows a producer to balance supply and demand in order to find the best selling price.	

**Global Incorrect Feedback**  
 The correct answer is: A PPF shows the maximum amount of goods that can be produced with a given set of inputs. The PPF helps reduce waste by maximizing output.

**Question 4a of 10** ( 1 Market structures 209934 )

Maximum Attempts: 1

Question Type: Multiple Response

Maximum Score: 2

Question: Which of the following are possible market structures for an economic system?

*Check all that apply.*

Correct Answers:

	Choice
*A.	Oligopoly
*B.	Monopoly
C.	Entrepreneurship
D.	Socialism
*E.	Pure competition

Attempt	Incorrect Feedback
1st	

	Correct Feedback
	Correct!

	Global Incorrect Feedback
	The correct answers are: oligopoly, monopoly, and pure competition.

**Question 4b of 10** ( 1 Market structures 209935 )

Maximum Attempts: 1

Question Type: Multiple Response

Maximum Score: 2

Question: Which of the following are market structures that can exist in a free-market system?

*Check all that apply.*

Correct Answers:

	Choice
A.	Communism
B.	Government planning
*C.	Monopolistic competition
*D.	Oligopoly
*E.	Pure competition

Attempt	Incorrect Feedback
1st	

	Correct Feedback
	Correct!

	Global Incorrect Feedback

The correct answers are: oligopoly, pure competition, and monopolistic competition.

### Question 4c of 10 ( 1 Market structures 209936 )

Maximum Attempts: 1

Question Type: Multiple Response

Maximum Score: 2

Question: Which of the following are market structures that are characterized by at least some competition between producers?

*Check all that apply.*

Correct Answers:

	Choice
A.	Monopoly
*B.	Pure competition
*C.	Monopolistic competition
D.	Socialist planning
*E.	Oligopoly

Attempt	Incorrect Feedback
1st	

	Correct Feedback
	Correct!

	Global Incorrect Feedback
	The correct answers are: oligopoly, pure competition, and monopolistic competition.

### Question 5a of 10 ( 3 Market structures 209937 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following describes a situation where competition between producers exists?

	Choice	Feedback
A.	A small number of producers command the entire market for a certain good or service.	
B.	One producer is the only one selling a good or service with no close substitutes.	
*C.	Two or more producers are trying to sell the same good or service to the same consumers.	Correct! When there are two or more businesses pursuing the same specific goal, there is competition.
D.	The monetary benefits for one producer lead to non-monetary costs for another producer.	

Global Incorrect Feedback
The correct answer is: Two or more producers are trying to sell the same good or service to the same consumers. When there are two or more businesses pursuing the same specific goal, there is competition.

### Question 5b of 10 ( 3 Market structures 209938 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following describes a situation where monopolistic competition exists?

	Choice	Feedback
A.	When there is a small number of producers selling identical products.	
*B.	When many producers are selling slightly differentiated products.	Correct! Monopolistic competition means that each producer has a monopoly on their specific product, but the products are close substitutes of each other.
C.	When fewer than five producers command the entire market for a certain good or service.	
D.	When a single producer is the only one selling a good or service with no close substitutes.	

Global Incorrect Feedback
The correct answer is: When many producers are selling slightly differentiated products. Monopolistic competition means that each producer has a monopoly on their specific product, but the products are close substitutes of each other.

**Question 5c of 10** ( 3 Market structures 209939 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following best describes a situation where an oligopoly exists?

Choice	Feedback
* A. A small number of producers command nearly the entire market for a certain good or service.	Correct! Oligopoly is characterized by a high level of market concentration in a few hands.
B. Many producers are selling slightly differentiated products that are close substitutes of each other.	
C. A large number of businesses are selling identical products to a well-informed customer base.	
D. A single producer is the only one selling a good or service with no close substitutes.	

**Global Incorrect Feedback**

The correct answer is: A small number of producers command nearly the entire market for a certain good or service. Oligopoly is characterized by a high level of market concentration in a few hands.

**Question 6a of 10** ( 3 Market structures 209940 )

Maximum Attempts: 1

Question Type: Matching

Maximum Score: 2

Question: Match the type of market structure with each example.

Choice Text	Correct Match	Match Text
A. Pure competition	C.	Gas stations
B. Monopoly	B.	Cable company
C. Monopolistic competition	D.	Airlines
D. Oligopoly	A.	eBay

Attempt	Incorrect Feedback
1st	

Correct Feedback
Correct!

Global Incorrect Feedback
The correct answers are: pure competition: eBay; monopoly: cable company; monopolistic competition: gas stations; and oligopoly: airlines.

**Question 6b of 10** ( 3 Market structures 209941 )

Maximum Attempts: 1

Question Type: Matching

Maximum Score: 2

Question: Match the type of market structure with each example.

Choice Text	Correct Match	Match Text
A. Pure competition	A.	Online auctioning
B. Monopoly	C.	Video rental stores
C. Monopolistic competition	B.	Water and sewer service
D. Oligopoly	D.	Digital camera makers

Attempt	Incorrect Feedback
1st	

Correct Feedback
Correct!

Global Incorrect Feedback
The correct answers are: pure competition: online auctioning; monopoly: water and sewer service; monopolistic competition: video rental stores; oligopoly: digital camera makers.

**Question 6c of 10** ( 3 Market structures 209942 )

Maximum Attempts: 1

Question Type: Matching

Maximum Score: 2

Question: Match the type of market structure with each example.

Choice Text	Correct Match	Match Text
A. Pure competition	B.	Computer operating systems
B. Near monopoly	C.	Fast food restaurants
C. Monopolistic competition	A.	Online auctioning
D. Oligopoly	D.	Car makers

Attempt	Incorrect Feedback
1st	

	Correct Feedback
	Correct!

	Global Incorrect Feedback
	The correct answers are: pure competition: online auctioning; near monopoly: computer operating systems; monopolistic competition: fast food restaurants; oligopoly: car makers.

### Question 7a of 10 ( 1 Entrepreneurs 209943 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following does *not* motivate entrepreneurs?

	Choice	Feedback
A.	Profit	
B.	Freedom	
C.	Innovation	
*D.	Security	Correct! Entrepreneurs are risk takers, not people who necessarily seek security.

Global Incorrect Feedback
The correct answer is: Security. Entrepreneurs are risk takers, not people who necessarily seek security.

### Question 7b of 10 ( 1 Entrepreneurs 209944 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Innovation is a characteristic most strongly associated with which of the following groups?

	Choice	Feedback
*A.	Entrepreneurs	Correct! Entrepreneurs are risk takers, not people who necessarily seek security.
B.	Monopolists	
C.	Economic experts	
D.	Government planners	

Global Incorrect Feedback
The correct answer is: Entrepreneurs. Entrepreneurs are risk takers, not people who necessarily seek security.

### Question 7c of 10 ( 1 Entrepreneurs 209945 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Entrepreneurs do *not* use which of the following to introduce innovations into a market?

	Choice	Feedback	
A.	New products		
*B.	New economic systems		Correct! Entrepreneurs generally work within the free-market system.
C.	New means of production		
D.	New forms of organization		

Global Incorrect Feedback
The correct answer is: New economic systems. Entrepreneurs generally work within the free-market system.

**Question 8a of 10** ( 1 The media 209947 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following are sources of revenue for media companies?

	Choice	Feedback
*A.	Advertising and subscriptions	Correct! Media companies make 90 percent of their revenues from advertising and the rest from subscriptions.
B.	Direct sales to producers	
C.	Capital investments	
D.	Online purchases	

Global Incorrect Feedback
The correct answer is: Advertising and subscriptions. Media companies make 90 percent of their revenues from advertising and the rest from subscriptions.

**Question 8b of 10** ( 1 The media 209948 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following is the main source of revenue for media corporations?

	Choice	Feedback
A.	Product placements	Correct! Media companies make 90 percent of their revenues from advertising.
*B.	Advertising	
C.	Rating systems	
D.	Subscriptions	

Global Incorrect Feedback
The correct answer is: Advertising. Media companies make 90 percent of their revenues from advertising.

**Question 8c of 10** ( 1 The media 209949 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Advertising is the main source of revenue for which of the following industries?

	Choice	Feedback
A.	E-commerce	Correct! Media companies make 90 percent of their revenues from advertising.
B.	Retail sales	
*C.	Media	
D.	Airlines	

Global Incorrect Feedback
The correct answer is: Media. Media companies make 90 percent of their revenues from advertising.

**Question 9a of 10** ( 2 The media 209950 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following best explains why companies pay for advertising space?

	Choice	Feedback
A.	To make sure costs are balanced with revenues.	Correct! Advertising is all about buying the attention of an audience.
B.	To generate better ratings for their programs.	
*C.	To expose an audience to messages about their products.	
D.	To increase circulation for their magazine or newspaper.	

Global Incorrect Feedback
The correct answer is: To expose an audience to messages about their products. Advertising is all about buying the attention of an audience.

**Question 9b of 10** ( 2 The media 209951 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following statements best describes what purchasing advertising space does for advertisers?

	Choice	Feedback
A.	Advertising space generates higher circulation and better ratings.	
*B.	Advertising space exposes a company's products to an audience of potential customers.	Correct! Advertising is all about buying the attention of an audience.
C.	Advertising space fills magazines and newspapers to their full print capacity.	
D.	Advertising space allows a company to transmit product information to its investors.	

**Global Incorrect Feedback**

The correct answer is: Advertising space exposes a company's products to an audience of potential customers. Advertising is all about buying the attention of an audience.

**Question 9c of 10** ( 2 The media 209952 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Which of the following statements best explains the purpose of advertising?

	Choice	Feedback
*A.	Advertising is about buying the attention of an audience of potential consumers.	Correct! Advertising space exposes an audience to messages about a company's products.
B.	Advertising is about determining how much revenues will exceed costs.	
C.	Advertising is about making sure that consumers get accurate product information.	
D.	Advertising is about predicting what consumers will want and how much they will pay.	

**Global Incorrect Feedback**

The correct answer is: Advertising is about buying the attention of an audience of potential consumers. Advertising space exposes an audience to messages about a company's products.

**Question 10a of 10** ( 1 The media 209953 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: The media industry is characterized by which of the following?

	Choice	Feedback
A.	Innovation and entrepreneurship	
B.	Pure competition	
*C.	Centralization of ownership	Correct! Nearly all of the media industry is controlled by a few large companies.
D.	A near-monopoly market structure	

**Global Incorrect Feedback**

The correct answer is: Centralization of ownership. Nearly all of the media industry is controlled by a few large companies.

**Question 10b of 10** ( 1 The media 209954 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: Nearly all of the media industry is controlled by which of the following?

	Choice	Feedback
*A.	A few large companies	Correct! The media industry is characterized by a centralization of ownership.
B.	Small broadcasters	
C.	Government agencies	
D.	Innovative entrepreneurs	

**Global Incorrect Feedback**

The correct answer is: A few large companies. The media industry is characterized by a



**Question 10c of 10** ( 1 The media 209955 )

Maximum Attempts: 1

Question Type: Multiple Choice

Maximum Score: 2

Question: The media industry is dominated by which of the following?

	Choice	Feedback
A.	Innovative entrepreneurs	
B.	Monopolistic markets	
C.	Internet news sources	
*D.	Media conglomerates	

**Global Incorrect Feedback**  
The correct answer is: Media conglomerates. Nearly all of the media industry is controlled by a few large companies that own a variety of media sources.