1. Basic Economic Concepts

Starter Quiz · 课前小测

AP Macroeconomics Name: ____________ Score: ______

1. Scarcity exists because:
   - ☐ wants are unlimited but resources are limited
   - ☐ people are greedy
   - ☐ governments print too little money
   - ☐ prices are too high
2. The opportunity cost of a choice is:
   - ☐ the value of the single best alternative given up
   - ☐ the money you spend
   - ☐ everything you could have done
   - ☐ always zero
3. A country has a comparative advantage in a good when it has:
   - ☐ the lower opportunity cost of making it
   - ☐ more workers than its rival
   - ☐ the higher price
   - ☐ more natural resources
4. The law of demand says a higher price leads to a:
   - ☐ lower quantity demanded
   - ☐ higher quantity demanded
   - ☐ higher supply
   - ☐ no change
5. The law of supply says a higher price leads to a:
   - ☐ higher quantity supplied
   - ☐ lower quantity supplied
   - ☐ lower demand
   - ☐ no change
6. A change in the good's own price causes a movement along the demand curve, not a shift.

   ☐ True ☐ False

7. A fall in input costs causes a movement along the supply curve.

☐ True ☐ False

8. Select **all** four factors of production.

☐ land

☐ labour

☐ capital

☐ entrepreneurship

Tick every correct option.

9. Moving from A (60 consumer, 10 capital) to B (50 consumer, 25 capital), what is the opportunity cost of ONE capital good, in consumer goods?

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10. Country A makes 12 wheat OR 6 cloth in a day. What is the opportunity cost of ONE cloth, in wheat?

__________________ wheat

AP Macroeconomics

1. **wants are unlimited but resources are limited**

   Scarcity is the gap between unlimited wants and limited resources.

2. **the value of the single best alternative given up**

   It is the next-best alternative sacrificed — measured in what you give up, not just money.

3. **the lower opportunity cost of making it**

   Comparative advantage is about opportunity cost, not raw output.

4. **lower quantity demanded**

   Price and quantity demanded move in opposite directions — the curve slopes down.

5. **higher quantity supplied**

   A higher price makes producing more profitable, so quantity supplied rises.

6. **True**

   Own price → movement along; TRIBE determinants → shift.

7. **False**

   Input costs are not the good's own price — cheaper inputs shift the whole curve right.

8. **land; labour; capital; entrepreneurship**

   Land, labour, capital and entrepreneurship are the four factors.

9. **0.67**

   Give up 10 consumer to gain 15 capital, so each capital good costs $10/15 \approx 0.67$ consumer goods.

10. **2 wheat**

    Giving up 12 wheat frees enough to make 6 cloth, so each cloth costs $12/6 = 2$ wheat.