

# Economics Test Study Guide

**Your Name:**

**Test Date:**

1. Please study the following terms for your test.

**Producer:** The person who is selling the product.

**Consumer:** The person who is buying the products in the marketplace.

**Scarcity:** When you lack enough resources to make products that the consumer desires.

**Budget:** A plan for using income productively.

**Opportunity Cost:** The cost of a choice that you make.

Please be able to answer the following questions.

2. What is a budget? A budget is a financial plan for a business that estimates income and expenses.

3. What is a marketplace? An open place where sales are held. Key people are the producers, selling goods, and consumers, buying goods.

4. What is an opportunity cost? Giving up something as a means of getting something better or making a choice. Example: I wanted to be in softball and hockey but I couldn't choose both because they were both on Tuesday night.

5. List an example of a scarcity? Not enough cider, not enough cups, limited funds are all examples.

6. There will also be a situation that you will have to identify the producer, consumer, scarcity, and opportunity cost.

