

Name _____

The Amazing World of Economic Systems

Multiple Choice Questions

1. What is an economic system?
 - a) A type of puzzle
 - b) A way to manage resources in a society
 - c) A government organization
 - d) A tradition passed down through generations

2. In a traditional economy, how are economic decisions made?
 - a) By the government
 - b) By individuals and businesses
 - c) Based on customs and traditions
 - d) By supply and demand

3. Why is resource allocation important in economic systems?
 - a) To ensure everyone has equal wealth
 - b) To decide how limited resources are used efficiently
 - c) To create incentives for hard work
 - d) To maintain economic stability

4. What role does the government play in a command economy?
 - a) It makes most economic decisions
 - b) It leaves all economic decisions to individuals
 - c) It follows customs and traditions
 - d) It relies on supply and demand

5. How does the economic system impact the quality of life in a society?
 - a) It has no effect on quality of life
 - b) It determines access to healthcare and education
 - c) It solely focuses on resource allocation
 - d) It doesn't affect incentives for hard work

