

Name _____

Rules of the Game: How Government Policies Shape Supply and Demand

Multiple Choice Questions

1. What are government policies and regulations in economics?
 - a) Suggestions made by economists.
 - b) Decisions and actions taken by the government to achieve specific goals.
 - c) Market prices set by the government.
 - d) Business strategies for increasing profits.

2. How can taxes imposed by the government affect supply?
 - a) Taxes always increase supply.
 - b) Taxes have no impact on supply.
 - c) Taxes can increase the price and reduce supply of certain products.
 - d) Taxes make products more affordable and increase supply.

3. What do regulations often set for products?
 - a) Quantity produced.
 - b) Safety and quality standards.
 - c) Market prices.
 - d) Advertising budgets.

4. How can consumer protection laws influence demand?
 - a) By making products more expensive.
 - b) By reducing the number of available products.
 - c) By increasing consumer confidence in the safety and quality of products.
 - d) By controlling prices.

5. What is the purpose of price controls imposed by the government?
 - a) To increase production.
 - b) To encourage competition.
 - c) To stabilize prices in the market.
 - d) To eliminate taxes.

