



## Section 1: Quiz

## Unemployment

**A. Key Terms**

Match the descriptions of types of unemployment in Column I with the terms in Column II. Write the letter of the correct answer in the blank provided.

**Column I**

- \_\_\_\_\_ 1. when a period of steady work is followed by a period of unemployment each year
- \_\_\_\_\_ 2. when unemployment rises during economic downturns and falls when the economy improves
- \_\_\_\_\_ 3. when people change jobs or get laid off
- \_\_\_\_\_ 4. when the skills of workers do not match the jobs that are available

**Column II**

- a. seasonal unemployment
- b. cyclical unemployment
- c. frictional unemployment
- d. structural unemployment

**B. Main Ideas**

Write the letter of the correct answer in the blank provided.

- \_\_\_\_\_ 5. How can changes in technology or consumer demand make it difficult for people to get jobs?
  - a. by making it difficult for people to buy what they want
  - b. by changing the number or kind of jobs available
  - c. by creating a demand for things that are not available
  - d. by making it possible for some people to work fewer hours
- \_\_\_\_\_ 6. What does the unemployment rate represent?
  - a. the total number of people who are not employed
  - b. the total number of people who are unable to find work
  - c. the percentage of the total population that is not employed
  - d. the percentage of the total work force that is unemployed
- \_\_\_\_\_ 7. What does "full employment" mean?
  - a. There is no cyclical unemployment.
  - b. Every person who wants to work has a job.
  - c. Approximately 80 percent of people have jobs.
  - d. Those who want to work have full-time jobs.
- \_\_\_\_\_ 8. What can happen to the economy when the level of unemployment is very low?
  - a. It can make it difficult for some to find jobs.
  - b. It can create a booming economy.
  - c. It can cause wages and prices to rise.
  - d. It does not have a predictable effect.
- \_\_\_\_\_ 9. Why don't government planners try to end seasonal unemployment?
  - a. It would eliminate too many jobs.
  - b. Many people do not want to work all year.
  - c. It would be too expensive.
  - d. It is a natural part of a healthy economy.
- \_\_\_\_\_ 10. What is the term for a situation in which a person is overqualified for the job he or she has?
  - a. partial employment
  - b. underemployment
  - c. low-skilled work
  - d. discouraged worker



## Section 2: Quiz

# Inflation

### A. Key Terms

Match the descriptions in Column I with the terms in Column II. Write the letter of the correct answer in the blank provided.

#### Column I

- \_\_\_\_\_ 1. a general increase in prices
- \_\_\_\_\_ 2. income that does not increase even when prices go up
- \_\_\_\_\_ 3. a sustained drop in the prices of goods
- \_\_\_\_\_ 4. a measurement that shows how the average cost of goods or services changes over time
- \_\_\_\_\_ 5. rising wages causing higher prices which cause higher wages

#### Column II

- a. price index
- b. wage-price spiral
- c. fixed income
- d. inflation
- e. deflation

### B. Main Ideas

Write the letter of the correct answer in the blank provided.

- \_\_\_\_\_ 6. What is the Consumer Price Index?
  - a. a measure of prices of housing and rental costs all over the country
  - b. an index of prices of items used by manufacturers and retailers
  - c. an index determined by measuring the price of standard goods bought by urban consumers
  - d. an index of the cost of living for all U.S. consumers
- \_\_\_\_\_ 7. What is considered one cause of inflation?
  - a. Demand and supply are in equilibrium.
  - b. Producers raise prices to meet increased costs.
  - c. Employment is increased.
  - d. Productivity is restricted in some manner.
- \_\_\_\_\_ 8. Which theory says that inflation occurs when the demand for goods exceeds the existing supply?
  - a. quantity theory
  - b. cost-push theory
  - c. supply-and-demand theory
  - d. demand-pull theory
- \_\_\_\_\_ 9. What typically happens to the inflation rate when unemployment falls to very low levels?
  - a. It rises.
  - b. It falls.
  - c. It stays the same.
  - d. It will rise or fall but not with the unemployment rate.
- \_\_\_\_\_ 10. If a person has money invested at 9 percent and the rate of inflation is 5 percent, how much return are they actually making on their investment?
  - a. 14 percent
  - b. 9 percent
  - c. 4 percent
  - d. 1 percent





## Section 3: Quiz

# Poverty

### CHAPTER 13

#### A. Key Terms

Briefly define or identify each of the following.

1. poverty threshold \_\_\_\_\_

2. poverty rate \_\_\_\_\_

3. workfare \_\_\_\_\_

#### B. Main Ideas

Write the letter of the correct answer in the blank provided.

- \_\_\_\_\_ 4. How does the U.S. Census Bureau define a family?
- a. two or more people related by birth who live in the same housing unit
  - b. all people who live in a housing unit regardless of relationship
  - c. a father, mother, and children regardless of where they live
  - d. a father, mother, and children living in the same housing unit
- \_\_\_\_\_ 5. Approximately how much total income does a family of four need to have to be considered above the poverty line?
- a. \$11,275
  - b. \$14,500
  - c. \$16,530
  - d. \$20,000
- \_\_\_\_\_ 6. What age group in the United States has the largest percentage of its members living in poverty?
- a. children
  - b. young adults
  - c. the middle aged
  - d. the elderly
- \_\_\_\_\_ 7. Which of the following is among the root causes of poverty in the United States?
- a. disabilities
  - b. underemployment
  - c. size of family
  - d. lack of education
- \_\_\_\_\_ 8. How long can a family collect aid from the Temporary Assistance for Needy Families program?
- a. as long as necessary
  - b. a maximum of two years
  - c. a maximum of five years
  - d. a maximum of ten years
- \_\_\_\_\_ 9. What does the Lorenz Curve illustrate about the economy?
- a. the kinds of jobs
  - b. the distribution of income
  - c. the causes of poverty
  - d. the types of families
- \_\_\_\_\_ 10. Who are the "working poor?"
- a. those who cannot work because they have small children
  - b. those who have jobs but do not earn enough
  - c. those who suffer from chronic health problems
  - d. those who cannot work because they are disabled