Unit 1.2 Resource Allocation and Economic Systems

AP Microeconomics Homework

Total: 19 questions

---

1. 题库 **Unit 1 Basic Concepts Q3**

Which of the following is necessary in a well-functioning capitalist economy but not in a command economy?

(A) Centralized decision making
(B) Scarcity of resources
(C) Monopolies
(D) Protection of property rights
(E) Positive externalities

2. 题库 **Unit 1 Basic Concepts Q4**

Which of the following is associated with a command economy?

(A) Competitive product markets
(B) Use of resources for private gain
(C) Use of available resources to meet all the needs and wants of its citizens
(D) Entry of firms into industries with economic profit
(E) Public ownership of the means of production

3. 题库 **Unit 1 Basic Concepts Q5**

Assume there are two goods in a market economy. The amount of each good produced is determined by

(A) buyers and sellers' interactions in the market for each good
(B) a central planning agency
(C) the desires of households only
(D) each citizen's minimum needs for survival
(E) popular voting with one vote per citizen

4. 题库 **Unit 1 Basic Concepts Q6**

Command economies differ from capitalist economies mainly because of which of the following?

(A) Command economies have higher prices for oil.
(B) Capitalist economies have higher prices for oil.
(C) Command economies have higher degree of government ownership of resources.
(D) Capitalist economies have higher degree of government ownership of resources.
(E) Command economies rely on prices to allocate resources.

5. 题库 **Unit 1 Basic Concepts Q7**

In contrast to a market economy, a command economy relies on which of the following?

(A) The private sector in deciding what goods will be produced
(B) Private ownership of resources
(C) Profits as incentives to make choices
(D) The government to allocate resources

(E) Supply and demand to determine prices

6. 题库 Unit 1 Basic Concepts Q8

In a command economy, the quantity of computers produced would be determined by

(A) factory owners
(B) the government
(C) consumers and producers
(D) international trade
(E) the wealthy

7. 题库 Unit 1 Basic Concepts Q13

The fundamental difference between a market economy and a command economy lies in which of the following?

(A) Property rights and protection of private property
(B) Absolute and comparative advantages
(C) Specialization and trade
(D) Taxes and subsidies
(E) Positive and negative externalities

8. 题库 Unit 1 Basic Concepts Q16

Which of the following is true in a capitalist economy?

(A) The factors of production are collectively owned.
(B) The factors of production are distributed according to needs.
(C) The prices of goods and services are usually determined by the government.
(D) The prices of goods and services are set so that an equitable distribution of private property is achieved.
(E) Prices serve as incentives for factors of production to move to the markets where they are most valued.

9. 题库 Unit 1 Basic Concepts Q17

Relative to a command economy, resources in a market economy are more commonly allocated by

(A) democratic elections
(B) government planning
(C) the price system
(D) established traditions
(E) a system of checks and balances

10. 题库 Unit 1 Basic Concepts Q18

Which of the following is the defining characteristic of a capitalistic economy?

(A) Well-functioning capital markets
(B) Private ownership and protection of property rights
(C) Fair distribution of income and low income taxes
(D) Equality of opportunity
(E) Efficient allocation of resources

11. 题库 Unit 1 Basic Concepts Q19

Which of the following is a defining characteristic of a market economy?

(A) Private ownership of resources
(B) Equitable distribution of income
(C) Taxation of personal income
(D) Reliance on public goods
(E) Government-guided resource allocation

12. 题库 Unit 1 Basic Concepts Q21

Individual private property rights provide people incentives to

(A) meet societal goals rather than pursue their own self-interest
(B) produce goods and services regardless of market demand
(C) achieve equitable distribution of goods and services through competitive markets
(D) focus only on benefits without regard to costs
(E) produce goods and services that are valued in markets

13. 题库 Unit 1 Basic Concepts Q26

The allocation of resources in a market economy is described by which of the following statements?

I. The government decides which goods will be produced and which consumers will receive them.
II. Buyers and sellers exchange goods and services on a voluntary basis.
III. Prices and costs help producers decide whether they are producing too little or too much of a good.

(A) I only.
(B) II only.
(C) III only.
(D) I and III only.
(E) II and III only.

14. 2025 AP Micro MCQ Q1

Which of the following best explains the difference in resource allocation between a pure command economy and a pure market economy?

(A) A pure command economy allocates resources based on individual choices, whereas a pure market economy allocates resources using central planning.
(B) A pure command economy allocates resources to maximize profits, whereas a pure market economy allocates resources to maximize revenues.
(C) A pure command economy allocates resources using central planning, whereas a pure market economy relies on market forces to allocate resources.
(D) A pure command economy allocates resources to eliminate income inequalities, whereas a pure market economy allocates resources to eliminate negative externalities.
(E) A pure command economy allocates resources to achieve allocative efficiency, whereas a pure market economy allocates resources to achieve productive efficiency.

15. 2024 AP Micro MCQ Q2

Which of the following is consistent with a pure command economy?

(A) Firms rely on the price system to allocate resources.
(B) The government makes the major decisions concerning resource use.

(C) Private individuals and firms own the resources.

(D) Business owners determine how many workers to employ.

(E) Entrepreneurs can make substantial economic profit.

16. 2024 AP Micro MCQ Q11

A country uses all its available resources to produce both pears and sunglasses. Which of the following illustrates the concept of trade-offs caused by scarcity?

(A) An increase in the price of sunglasses will increase the quantity demanded of pears.

(B) Diminishing marginal utility exists for increased consumption of sunglasses but not for pears.

(C) Consumer surplus in the market for sunglasses will decrease producer surplus in the market for pears.

(D) Producing more sunglasses will increase the demand for pears.

(E) Producing more pears will result in the production of fewer sunglasses.

17. 2022 AP Micro MCQ Q2

Which of the following best describes firms in an industry if all the firms are in a cartel?

(A) They produce the allocatively efficient quantity.

(B) They face a perfectly elastic demand curve.

(C) They have identical cost curves.

(D) They coordinate their production decisions.

(E) They agree to remove barriers to entry.

18. 2022 AP Micro MCQ Q57

The study of economics is based on the premise that

(A) goods and services are scarce but capital is unlimited

(B) the growth of government is limited but resources are unlimited

(C) natural resources are scarce but labor is unlimited

(D) factors of production are scarce but goods and services people desire are unlimited

(E) consumer products are scarce but resources are unlimited

19. 2021 AP Micro MCQ Q44

Which of the following is NOT an example of physical capital?

(A) A delivery truck

(B) A warehouse

(C) Office furniture

(D) Machinery

(E) Land