



Economics: Supply & Demand

Name: _____

Date: _____

Grade: Grade 5

Part A: Multiple Choice

Circle the best answer for each question.

1. Country A grows the best coffee beans in the world, and Country B builds the best computers. What should these countries do to benefit the most?
- A) Each country should try to make both products on its own
 - B) They should trade so each country gets what the other makes best
 - C) Country A should stop growing coffee and build computers instead
 - D) Country B should stop making computers and grow coffee instead

2. Which is the best example of a capital resource?
- A) A river used for fishing
 - B) A carpenter who builds furniture
 - C) An oven used in a bakery to make bread
 - D) The wheat a farmer harvests from a field

3. In a command economy, who mostly decides what goods and services are produced?
- A) Individual consumers based on what they want to buy
 - B) Business owners competing for customers
 - C) The government through central planning
 - D) Farmers and factory workers on their own

4. Why do nonrenewable resources like oil become more expensive over time?
- A) Because the government lowers taxes on them
 - B) Because there is an unlimited supply underground
 - C) Because the supply shrinks as it is used up while demand stays high
 - D) Because fewer people need energy each year

Part B: Fill in the Blank

Write the correct answer on each line.

1. A country that focuses on producing what it makes best is using its comparative _____.
2. Oil, coal, and natural gas are classified as _____ resources because they cannot be quickly replaced.
3. In a market economy, prices are mostly determined by supply and _____.
4. Global trade allows consumers to buy products from countries all around the _____.

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