



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.

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1. A country that focuses on producing what it makes best is using its comparative advantage.
2. Oil, coal, and natural gas are classified as nonrenewable resources because they cannot be quickly replaced.
3. In a market economy, prices are mostly determined by supply and demand.