NOVA SCOTIA ECONOMICS 11 · UNIT A

The Local Community Economy — Practice Test

Nova Scotia Economics 11 • 25 questions

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button to let Brett know so he can fix it.

1 **Economics is the study of how people meet needs and wants with**

- A unlimited money
- B limited resources
- C no choices
- D only government help

Understand It with Pulse | Flag a mistake

2 **A need is something required for survival, such as**

A a new phone

B food and shelter

C a vacation

D designer clothing

Understand It with Pulse | Flag a mistake

3 **A want is something desired but not required for survival, such as**

A drinking water

B basic clothing

C a video game

D medical care

Understand It with Pulse | Flag a mistake

4 **Scarcity exists because human wants are unlimited while resources are**

A unlimited

B free

C shared equally

D limited

Understand It with Pulse | Flag a mistake

5 **Opportunity cost is the value of the**

A next best alternative given up

B most expensive choice

C cheapest choice

D first choice made

Understand It with Pulse | Flag a mistake

6 **If a student spends an hour working instead of studying, the opportunity cost is the**

- A wage earned
- B study time given up
- C hour itself
- D bus fare

Understand It with Pulse | Flag a mistake

7 **The factors of production are land, labour, capital and**

- A money only
- B technology only
- C entrepreneurship
- D government only

Understand It with Pulse | Flag a mistake

8 **Land as a factor of production includes natural resources such as**

- A factory machines
- B workers' skills
- C business ideas
- D forests and minerals

Understand It with Pulse | Flag a mistake

9 **Labour as a factor of production means the**

- A human effort used in production
- B money invested
- C land owned
- D tools used

Understand It with Pulse | Flag a mistake

10 **Capital as a factor of production includes tools, machines and**

- A workers' wages
- B buildings used to produce goods
- C raw forests
- D business plans

Understand It with Pulse | Flag a mistake

11 **An entrepreneur is a person who organizes resources and takes the**

- A wages of workers
- B taxes of a town
- C risk of starting a business
- D profits of a rival

Understand It with Pulse | Flag a mistake

12 **A good is a tangible product, while a service is**

- A a raw material
- B a factory building
- C a tax payment
- D work done for someone else

Understand It with Pulse | Flag a mistake

13 **A consumer is a person who**

- A buys and uses goods and services
- B makes goods for sale
- C lends money to banks
- D collects taxes

Understand It with Pulse | Flag a mistake

14 **A producer is a person or business that**

A only buys goods

B makes goods or provides services

C only uses services

D regulates markets

Understand It with Pulse | Flag a mistake

15 **A market is a place or system where buyers and sellers**

A store money only

B set taxes

C exchange goods and services

D make laws

Understand It with Pulse | Flag a mistake

16 **At a farmers market, who sells directly to shoppers?**

A Foreign exporters

B Banks

C Governments

D Local growers

Understand It with Pulse | Flag a mistake

17 **A sole proprietorship is a business owned by**

A one person

B many shareholders

C a government

D a cooperative

Understand It with Pulse | Flag a mistake

18 **A partnership is a business owned by**

A one person only

B two or more people

C the government only

D its customers only

Understand It with Pulse | Flag a mistake

19 **A cooperative is a business owned and controlled by**

A one investor

B a foreign firm

C its members

D a bank

Understand It with Pulse | Flag a mistake

20 **A corporation is a business owned by shareholders and is legally**

- A owned by one family
- B run by a town council
- C exempt from taxes
- D separate from its owners

Understand It with Pulse | Flag a mistake

21 **In addition to jobs and services, what do local businesses provide that helps pay for roads and schools in their community?**

- A Tax revenue
- B Foreign imports
- C Higher prices
- D Fewer choices

Understand It with Pulse | Flag a mistake

22 **When residents buy locally, more money tends to**

A leave the country at once

B stay and circulate in the community

C go only to banks

D disappear

Understand It with Pulse | Flag a mistake

23 **A household budget helps a family plan spending by comparing**

A wants only

B taxes only

C income and expenses

D savings only

Understand It with Pulse | Flag a mistake

24 **Saving means setting aside part of income for**

A immediate spending

B tax payments only

C charity only

D future use

Understand It with Pulse | Flag a mistake

25 **Interest is the price paid for**

A borrowing money or earned on savings

B buying goods

C selling services

D owning land

Understand It with Pulse | Flag a mistake

ANSWER KEY

1. B
2. B
3. C
4. D
5. A
6. B
7. C
8. D
9. A
10. B
11. C
12. D
13. A
14. B
15. C
16. D
17. A
18. B
19. C
20. D
21. A
22. B
23. C
24. D
25. A

© 2026 Brett Robbins. All Rights Reserved.