

CONSUMER EDUCATION/ CHAPTER 1 TEST/ MR. WHARTON

TRUE/FALSE

1. Given the choice, most consumers prefer to buy products at a higher price than at a lower price.
2. When the demand for a product increases, the supply of that product stays the same.
3. Production is defined as the creation of goods and services.
4. Cultural values are values that are important to you because of your ethnic heritage or religion.
5. A person will seldom change his or her values.
6. Puffery, innocent exaggeration, is legal.
7. The decision making process helps you approach buying decisions in an organized, logical manner.
8. Life-span goals are goals you want to achieve in a five-year period.
9. In a market economy, the people rather than the government own the resources and run the businesses.
10. The environment in which you live, has no effect on your health and quality of life.
11. Global warming is the gradual increase in the earth's average temperature.
12. Recycling programs reduce the amount of trash discarded into the environment.
13. To pay for the cost of advertising, businesses may have to increase the price of the product it is advertising.
14. Needs are things you cannot live without, and wants are the things you would like to have, but can live without.
15. Advertisements that contain factually wrong statements are deceptive.
16. The study of the role consumers play in an economic system is consumer economics.
17. Businesses who advertise do not benefit consumers in any way.
18. Coke versus Pepsi would be an example of comparative advertising.

FILL IN THE BLANK

19. There is a _____ relationship between supply and demand.
20. The dominant economic system in the United States is a _____ economy.
21. The value of your next best alternative whenever you make a choice is called the _____.
22. The contest among sellers to win customers is _____.
23. The things you want to accomplish in your life are your _____.
24. _____ is when consumer wants are greater than the resources to satisfy those wants.
25. Anyone who buys or uses products is said to be a _____.

