

Study Guide Score . . . 31 Name _____

Deduct. Date _____ Class _____

Your Score.



CHAPTER 5

Business in Our Economy

STUDY GUIDE

PART I

Directions: In Column 3 write the letter of the term in Column 1 that identifies the business activity shown in Column 2.

COLUMN 1	COLUMN 2	COLUMN 3	For Scoring
A. extractor	1. soybean farm in Iowa	_____	1. _____
B. manufacturer	2. ceramics plant in Branson	_____	2. _____
C. marketer	3. oil well in Michigan	_____	3. _____
D. service business	4. jeans factory in Ohio	_____	4. _____
	5. college campus laundromat	_____	5. _____
	6. salmon fishing in Alaska	_____	6. _____
	7. guitar school in Memphis	_____	7. _____
	8. women's fashion boutique	_____	8. _____
	9. automobile assembly plant	_____	9. _____
	10. newsstand in your town	_____	10. _____

PART II

Directions: An important term has been omitted from each sentence in Column 1. In Column 2 write the word or words needed to complete each sentence in Column 1.

COLUMN 1	COLUMN 2	For Scoring
1. Building a unique product for one customer is done with (?)	_____	1. _____
2. With (?) a large number of identical products are assembled using a continuous, efficient procedure.	_____	2. _____
3. (?) changes the form of materials so they can be consumed or used to manufacture other products.	_____	3. _____

PART III

Directions: In Column 3 write the letter of the term in Column 1 that identifies the business activity shown in Column 2.

COLUMN 1	COLUMN 2	COLUMN 3	For Scoring
A. generating ideas	1. putting fruit from a truck into one- and three-pound bags	_____	1. _____
B. raising capital	2. applying for a loan	_____	2. _____
C. buying goods and services	3. advertising in a newspaper for accounting clerks	_____	3. _____
D. using human resources	4. ordering steel for making cabinets	_____	4. _____
E. marketing goods and services	5. ordering computer paper	_____	5. _____
F. producing goods	6. serving a new brand of cookie to customers in supermarkets and asking for opinions	_____	6. _____
G. keeping records	7. melting aluminum for shaping into beverage cans	_____	7. _____
	8. obtaining a loan to expand a factory	_____	8. _____
	9. coming up with new products that appeal to teenagers	_____	9. _____
	10. determining whether there is a profit or loss ..	_____	10. _____

PART IV

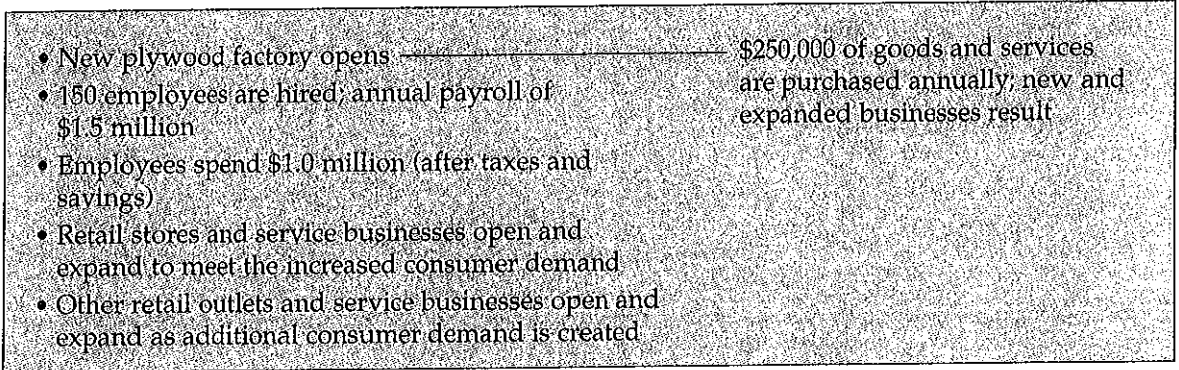
Directions: Unscramble the following words that were used in Chapter 5.

1. v i r s e c e
2. x t t e a r c r o
3. k m t e a r e r
4. r s c o d e r
5. t p c l a i a
6. r o u e r s s e c
7. t p a i m c
8. s i e a d

ACTIVITIES

Applying Critical Thinking Skills

You have learned that a new business in a community brings with it many benefits. As new workers earn money and buy goods and services, the demand for those goods and services increases. Some businesses expand and some new businesses are established. The diagram below shows the impact on the economy when a new plywood factory opens in the community.



You can see from this diagram how a community benefits when a new business opens. But, what happens when a business closes its doors? What is the reverse impact on a community? List three ways in which the community above would be impacted if the plywood factory went out of business.

1. _____

2. _____

3. _____

Applying Information

Nelson Armstrong conducted a survey and found that people wanted a pickup-and-delivery laundry service. To get started in business, he used \$3,000 of his savings and got a loan for \$8,000. He purchased a truck, some large laundry bags, some office supplies, and accounting software for his computer. He passed out flyers explaining his new business in some apartment complexes and a college dorm. He was efficient, did good work, and delivered on time. He got so many customers he had to hire two part-time helpers. He then also added a service his customers wanted: ironing and pressing. He analyzed his income and expenses and found that he was making a very nice profit.

In Column 1, list the business activities that Nelson performed. In Column 2, write the actions that Nelson took to accomplish those activities.

COLUMN 1 Business Activity	COLUMN 2 Action Taken
1. _____	1. _____ _____
2. _____	2. _____ _____
3. _____	3. _____ _____
4. _____	4. _____ _____
5. _____	5. _____ _____
6. _____	6. _____ _____
7. _____	7. _____ _____

Name _____

Developing Critical Thinking Skills

Generating ideas is an important business function. It is the basis for starting new businesses as well as expanding operations of existing businesses. There generally are many opportunities for new business ventures in any community. Look around your community, talk with your friends, and think about wants and needs that are going unmet—they are the bases for new business!

On the lines below, write three ideas for new business ventures in your community. They do not have to be *practical* at this point; even "far-out" ideas can lead to successful business ventures.

1. _____

2. _____

3. _____
