Name: _____ **#** _____ **Date:** _____

Social Studies Chapter 7

Multiple Choice
Identify the letter of the choice that best completes the statement or answers the question.

____ 1. What do consumers need in order to buy something?
a. a smile
b. money
c. DVDs
d. paper

____ 2. What is income?
a. food
b. doorway
c. vitamins
d. money that someone earns

Both of Theo's parents work. His dad has a job driving a truck. His mom works at a doctor's office. The family is careful to keep track of their money. The family created a budget. A budget is a plan for spending and saving money. A budget lets them know how much money they have and how much they can spend. When it comes time to buy something, the family checks their budget to see if they can afford it.

____ 3. What does a budget help Theo's family do?
a. forget about their money
b. earn money
c. lose money
d. keep track of money

____ 4. What is the word for things we spend money on?
a. income
b. oranges
c. expenses
d. credits

____ 5. Which one of these is not an expense?
a. food
b. shelter
c. job
d. clothing

____ 6. Finish this old saying: A penny saved is a penny...
a. earned
b. thrown away
c. eaten
d. spent

____ 7. Where is money in a savings account kept?
a. closet
b. bank
c. mattress
d. desk drawer

____ 8. What is it called when a bank pays you to use your money?
a. credit
b. interest
c. thanks
d. x-ray

____ 9. What is the word that means the total price of something?
a. money
b. benefit
c. cost
d. bread

____ 10. What is the term for the right to start any type of lawful business?
a. business sense
b. freedom of speech
c. economy
d. free enterprise

____ 11. What is the word that means money that is left over after all expenses have been paid?
a. profit
b. income
c. budget
d. bill

____ 12. What is needed for a business to succeed?
a. Profits must be higher than savings.
b. Profits must be higher than expenses.
c. Profits must be higher than the budget.
d. Profits must be higher than income.

____ 13. What do employees receive in exchange for their work?