

Name: _____

Economic Situation Questions

Use your product and company information to answer the following economic questions. All questions must be answered in complete sentences so that the reader can tell what the question was without reading the question (restate the question in your answers) because these will be rewritten or typed and placed on your final presentation poster. Answers must be very intelligent and clear.

Situation #1 From “*The Making of a Product*”

Assume that craftsman originally made your product, what does this mean? As more and more people wanted your product there became a need to mass-produce your product. What does this mean? What is the difference between skilled and unskilled labor? Which would work in factories that mass produce products? Do you think mass-producing your product is good for your company? Why or why not?

Situation #2 From “*Some Problems Within the Economy*”

There is an extremely large supply of products very similar to yours on the market. What will this do to the demand of your product? What will it do to the price of your product? Why will the price be affected? What would you do to the price of your product if there were a low supply and high demand for your product? Why would you do this?

Situation #3 From “*Some Problems Within the Economy*”

What is a surplus? Is it good for your company to have a surplus of a product? Would it be good for consumers if there were a surplus of a product? Why or why not?

Situation #4 From “*Some Problems Within the Economy*”

If the economy in our country is in a recession, how will this affect the number of employees you will have? If there is a high number of unemployment, will your product sell well? Why or why not?

Situation #5 From “*Careful Shoppers and Advertising*”

Someone who works for your company wants to advertise that your product does something that it really doesn't. Can your company advertise this way? Why or why not? How is government regulation good for consumers? (be specific)

Situation #6 From “*The Type of Economy in Which You Live*”

You live in a capitalist economy. Briefly explain what this is. What does this mean for your company and product?

Situation #7 **From “*World Wide Trade*”**

Your company is doing well and you decide to sell your product to other countries. What is this called? The country that you are selling your product to has decided to put a tariff on your product. What is a tariff? Why would a country do this?

Situation #8 **From “*World Wide Trade*”**

There are countries overseas that make basically the same thing you do, but only they can do it cheaper! What might you want government to do in this situation? Why? Isn't competition good for consumers? Explain.