



Business and Economics Examination IAC Nationals 2024

Name _____

School _____

Grade _____

Instructions – Mark your answers on the scantron provided. Correct answers are worth 2 points. Incorrect answers are worth –1 point. Questions left blank are worth 0 points. Write the answer to your tiebreaker question on the back of your scantron.

1. A sole proprietorship is a company which has only one of what?

- A. Customer
- B. Product
- C. Owner
- D. Location

2. In a partnership, what is the partner with a controlling share of the company typically called?

- A. Primary Partner
- B. Majority Partner
- C. Lead Partner
- D. Chairman or Chairwoman

3. In a corporation, which of the following are personally liable for company debt?

- A. all officers
- B. board Chair
- C. CEO
- D. no individual is personally liable for company debt

4. What kind of industry is a restaurant?

- A. Agricultural
- B. Service
- C. Financial
- D. Manufacturing

5. In a majority of cases, what is the long-run result of an increase in demand for a particular skill?

- A. an increase in qualified workers
- B. a decrease in pay
- C. an decrease in hours worked
- D. an increase in unemployment

6. What changes does an increase in the money supply cause?

- A. interest rates to rise and prices to fall
- B. interest rates to fall and prices to fall
- C. interest rates to rise and prices to rise
- D. interest rates to fall and prices to rise

7. What is someone who creates a new business called?

- A. Corporate Officer
- B. Chief Executive
- C. Entrepreneur
- D. Venture Capitalist

8. By what is an invention usually protected?

- A. Copyright
- B. Patent
- C. Trademark
- D. Trade secret

9. What can a large capital investment, a patent, government regulation, and predatory pricing all be considered?

- A. Factors of Production
- B. Antitrust Violations
- C. Tools of the Trade
- D. Barriers to Entry

10. According to the U.S. Bureau of Labor Statistics, what percentage of new businesses make it to 15 years or more?

- A. 100%
- B. 75%
- C. 50%
- D. 25%

11. Which of the following companies competes primarily on brand differentiation, not on price?

- A. Mercedes Benz
- B. Walmart
- C. Dollar General
- D. Costco

12. What is it called when a company buys one of its suppliers?

- A. Vertical integration
- B. Industry consolidation
- C. Conglomerate creation
- D. International expansion

13. What is it called when the government provides money to support a specific industry?
- Tariff
 - Tax
 - Subsidy
 - Free Trade
14. Organizations that pool money to invest in companies that are not publicly traded are called what?
- Co-operatives
 - Private Equity
 - Statutory Corporations
 - Subchapter S Corporations
15. Credit scores are specifically designed to measure what?
- Total money borrowed
 - Number of credit cards owned
 - Total wealth
 - Credit worthiness
16. What kind of business is a restaurant?
- Capital intensive
 - Labor intensive
 - Tech intensive
 - Monopolistic
17. The American award for quality is called what?
- The Bronze Star
 - The Stanley Cup
 - The Malcomb Baldrige Award
 - The Pulitzer Prize
18. Acquiring enough shares of a publicly traded company to gain control against the wishes of the current board of directors and management is usually referred to as what?
- A hostile takeover
 - A merger
 - An initial public offering
 - An angel investment
19. Companies listed on the New York Stock Exchange and the NASDAQ stock exchange have what in common?
- They are all American companies
 - They are all high tech companies
 - They must all file reports with the SEC
 - They are all Fortune 500 companies
20. In the federal tax system, which tax rate is the most progressive?
- Income
 - Social Security
 - Medicare
 - They are all the same
21. Google is a wholly owned subsidiary of what company?
- Alphabet
 - Google International
 - Microsoft
 - Search Technologies
22. What is the most critical factor in avoiding bankruptcy?
- High sales volume
 - Positive cash flow
 - A low tax rate
 - Accounting profits
23. What is another name for company stocks?
- Bonds
 - Equities
 - Puts
 - Options
24. A decrease in government expenditures is most likely to have what impact?
- Unemployment rate increases / Inflation rate increases
 - Unemployment rate increases / Inflation rate decreases
 - Unemployment rate decreases / Inflation rate increases
 - Unemployment rate decreases / Inflation rate decreases
25. The economic term for land and buildings invested in a business is?
- Real capital
 - Risk capital
 - Net investment
 - Net capital
26. Oil spills into navigable waters or adjoining shorelines must be reported to what agency?
- The Energy Department
 - The Coast Guard
 - The Environmental Protection Agency
 - The FBI
27. 'Right to work' laws protect employees from what?
- Being laid off
 - Being forced to join a union
 - Being discriminated against based on race
 - Being forced to retire
28. Playing a first-round draft choice instead of a better performing seventh-round draft choice is analogous to what common business mistake?
- Underpricing
 - Overpromising
 - Sunk cost decision making
 - Premature expansion
29. Acquiring or developing new products or services that are complementary to your core business and appeal to your current customers is called what?
- Concentric diversification
 - Conglomerate diversification
 - Horizontal diversification
 - Vertical diversification

30. Buying what investment generally has the lowest risk?
- Bonds
 - Stocks
 - Options
 - Preferred stock
31. What number of suppliers would be consistent with an oligopoly market?
- 1
 - 5
 - 100
 - 500
32. Which action will hurt your credit rating the most?
- Never borrowing any money
 - Borrowing as much money as possible
 - Going bankrupt
 - Accumulating as many credit cards as possible
33. Which of the following is required to start a corporation?
- Articles of incorporation
 - Mission statement
 - Project plan
 - At least three shareholders
34. Experts usually advise that as a person gets older his or her investments shift in what way?
- From domestic to international
 - From international to national
 - From lower risk to higher risk
 - From higher risk to lower risk
35. Based on what investment theory would you decide NOT to buy stock in the company for which you work?
- Buy and hold
 - Diversification
 - Model life stage portfolios
 - Income maximization
36. Which investment usually has the highest potential gain?
- Buying treasury bonds
 - Buying options
 - Buying an individual stock
 - Buying a stock portfolio
37. A "non-exempt" employee is one who must be compensated how?
- Free health insurance
 - Stock options
 - Overtime pay
 - Annual bonus
38. The increase in 2024 Social Security payments is based on what factor?
- Tax receipts
 - Cost of Living Adjustment
 - A new law passed by Congress in 2023
 - An Executive Order from President Biden
39. Which of the following is an itemized deduction on federal taxes?
- Mortgage interest
 - Child support
 - Food
 - Rent
40. A large down payment (30%) on a house will likely result in what?
- Requirement for mortgage insurance
 - A shorter period to repay the loan
 - A lower mortgage rate
 - More principal to repay
41. In 2023 the United Auto Workers union struck all of the following companies except which company?
- Ford
 - General Motors
 - Stellantis
 - Tesla
42. Which company went into bankruptcy due to its opioid scandal?
- Purdue Pharma
 - Eli Lilly
 - Merck & Co.
 - Bristol Myers Squibb
43. Berkshire Hathaway is headed by what iconic investor?
- Tim Cook
 - Meg Whitman
 - Sundar Pichai
 - Warren Buffet
44. Which social media platform does Elon Musk own?
- TikTok
 - Facebook
 - X
 - YouTube
45. In 2023 which airline is the world's largest by revenue?
- American
 - Emirates
 - Qantas
 - Jet Blue
46. What is the name of a Chinese multinational technology company specializing in e-commerce?
- Sinotec
 - Huawei Technologies Co., Ltd
 - Samsung Group
 - Alibaba Group Holding Limited
47. According to QuestionPro data, what artist's "Eras" concert series grossed \$2.2 billion?
- Beyonce
 - Bob Dylan
 - Taylor Swift
 - Justin Bieber

48. In the first half of 2023 Ukraine was able to ship grain from its Black Sea ports under an agreement brokered by the UN and what country?
- China
 - Turkey
 - Poland
 - United States
49. Because of the new drug law, Medicare is authorized to reduce cost by doing what?
- Negotiate pharmaceutical prices directly
 - Reduce payment amounts to medical specialists
 - Refuse to pay benefits if patients will not quit smoking
 - Eliminate payments for emergency room visits
50. The Supreme Court confirmed a lower court ruling that prohibited the NCAA from preventing student athletes from receiving payments for what?
- Being named an All-American
 - Playing injured
 - Benefiting from their name, image and likeness
 - Point shaving
51. The real estate fraud case being brought against former president Trump is located in what jurisdiction?
- District of Columbia
 - Florida
 - Arizona
 - New York
52. The expedition on the doomed Titan to view the Titanic was priced at how much per person?
- \$50,000
 - \$250,000
 - \$1,000,000
 - \$2,500,000
53. French billionaire Bernard Arnault, one of the richest men in the world, made his fortune in what industry?
- Oil
 - Shipping
 - Tech
 - Fashion
54. Which company produces the all-electric pickup truck named "Lightning"?
- Tesla
 - Toyota
 - Ford
 - GM
55. In 2022, President Biden placed stringent export controls on what country and commodity?
- Computer chips to China
 - Airplanes to Saudi Arabia
 - Tanks to Ukraine
 - Machinery to Vietnam
56. Federal tax credits are available for all of the following except what?
- Emergency generators powered by gasoline
 - Solar power systems
 - Home wind turbines
 - Geothermal energy
57. What branch of economics studies the decisions of firms and individuals regarding the allocation of scarce resources?
- Econometrics
 - International economics
 - Microeconomics
 - Macroeconomics
58. Behavioral economics is a combination of economics and what field of study?
- Math
 - Political Science
 - Statistics
 - Psychology
59. Which of the following does NOT interfere with a free market economy?
- Selfish individual decisions
 - Taxes
 - Tariffs
 - Monopolies
60. Most Western European economies could best be described as?
- Free market economies
 - Mixed economies
 - Socialist economies
 - Communist economies
61. What 18th century economist's theory was based on free markets and specialization?
- Karl Marx
 - John Maynard Keynes
 - Adam Smith
 - Thomas Malthus
62. Private property rights are the essential element of what kind of economy?
- High tech
 - Trade driven
 - Free market
 - Export substitution
63. What is the difference between balance of trade and balance of payments?
- Balance of trade is a more comprehensive measure
 - Balance of payments includes factors like interest
 - Balance of payments only includes the private sector
 - There is no difference

64. The misery index is a combination of what factors?
- Air and water pollution
 - Murders and suicides
 - Inflation and interest rates
 - Unemployment and Inflation
65. What is the quantity that sellers want to sell at each price called?
- demand
 - supply
 - excess demand
 - excess supply
66. Which measurement is used for the official unemployment rate?
- Persons unemployed 15 weeks or longer, as a percent of the civilian labor force
 - Job losers and persons who completed temporary jobs, as a percent of the civilian labor force
 - Total unemployed, as a percent of the civilian labor force
 - Total unemployed plus discouraged workers, as a percent of the civilian labor force
67. Which factor directly impacts the demand curve?
- The price of related goods
 - Invested capital
 - Cost of production
 - Company profitability
68. The slope of the demand curve is?
- Upward
 - Downward
 - It depends on price
 - It depends on supply
69. A shift in the demand curve can be caused by a change in what?
- Supply
 - Price
 - Consumer tastes
 - All of the above
70. Government regulation that increases production cost would usually have what impact on supply?
- None
 - Increase
 - Decrease
 - It depends on whether it is a federal or state regulation
71. Which of the following is the smallest component of the federal government's budget?
- foreign aid
 - military spending
 - entitlements
 - interest on the debt
72. U.S. paper currency is backed by what?
- Gold
 - Silver
 - Full faith and credit of the U.S. government
 - Individual state guarantees
73. In order to reduce inflation the Federal Reserve might do all of the following except?
- Sell Treasury securities
 - Raise taxes
 - Increase the legal reserve limit
 - Increase the discount rate
74. Which current political philosophy argues for the least government control over the economy?
- liberal
 - conservative
 - libertarian
 - socialist
75. What is two consecutive quarters of declining output called by economists?
- A failed state
 - An economic collapse
 - A depression
 - A recession

Tiebreaker

This question will only be scored if there is a tie for placement on the exam. **This is a required question, but there is no penalty for a wrong answer to this question.**

Write your answer legibly in the space provided on your scantron.

According to the CIA World Factbook, how much was the 2021 estimate of United States Real GDP (PPP)?