

1. Create a basic monthly budget plan that includes the basic expenses of a family of four on a budget of 2,000 dollars a month. Must have at least 8 expenses. (15 points)	Answers will vary. Students will be graded based on having at least 8 expenses and staying within 2,000 dollars. Students should include expenses such as mortgage, groceries, electric, cable, car payment, gas, insurance, savings ect. (Students can earn partial credit)	6. Interest Rate: 4% monthly Starting Balance: \$124 Time Passed: 4 months How much interest has accrued if calculated as compound interest? What is the new total balance? Show your work and round to nearest dollar. (3 points)	Interest:\$21 Total balance: \$145 (Students can get partial credit. 1 point for each part of the answer and 1 point for showing works that shows process)
2. Define loan. (1 point)	An amount of money borrowed that is to be paid back at interest.	7. Short Essay. Write at least 2 paragraphs explaining the importance of having a savings plan and managing loans. (10 points)	Answers will vary. Students will be graded on proper length and addressing all parts of the question. (Students can earn partial credit)
3. Define supply and demand? (3 points)	Supply is a relation showing the quantities of a good producers are willing and able to sell at various prices during a given period, other things constant. Demand is a relation showing the quantities of a good that consumers are willing and able to buy at various prices per period, other things constant. (Students can get partial credit)	8. There are four factors of production, list them. (4 points/1 point each)	land, labor, capital and entrepreneurship (1 point for each factor given)
4. Explain the difference between an increase in demand and an increase in supply. (3 points)	An increase in demand is when consumers are more willing and able to buy the product at every price. An increase in supply is when producers are more willing and able to supply the product at every price. (Students can earn partial credit)	9. True or False: Labor is a flexible resource. (1 point)	True
5. Interest Rate: 1% monthly Starting Balance: \$345 Time Passed: 8 months How much interest has accrued if calculated as compound interest? What is the new total balance? Show your work and round to nearest dollar. (3 points)	Interest:\$29 Total balance: \$347 (Students can get partial credit. 1 point for each part of the answer and 1 point for showing works that shows process)	10. True or False: Land is a renewable resource. (1 point)	False
		11. True or False: you do not need all the factors of production in order to produce a product. (1 point)	False
		12. What is a complementary good? Give an example (2 points)	A good that has a demand increase when the price of another good is decreased. Examples will vary. (2 part answer allows for partial credit.
		13. What is capital? (3 points)	Capital can represent either monetary resources or major physical assets including buildings, production facilities, equipment, and vehicles. (Students can get partial credit)
		14. What type of interest accrues more money over one year: compounded interest or annual interest? (1 point)	Compounded