

**Chapter 5**

**I-Quiz**

1. Which statement best describes a free enterprise system?
  - a. A system established by the U.S. government to fund small businesses
  - b. A system that encourages individuals to start and operate their own businesses in a competitive system, without government involvement
  - c. Any period in which businesses give free merchandise to customers
  - d. A system that allows businesses to bypass paying federal and state taxes.
  
2. What is a difference between a trademark and a copyright?
  - a. A trademark is an individual item, such as a word, name, symbol, sound, or color that identifies a product or service. A copyright involves anything that is authored by an individual, such as writings, music, and artwork.
  - b. A trademark can be renewed forever, but a copyright is usually only valid for the life of the author plus 70 years.
  - c. A company can use a trademarked item for free, but must pay a fee to use a copyrighted item to promote its company.
  - d. a. or b.
  
3. What is a monopoly?
  - a. The risk of losing business
  - b. The potential reward for taking risks in business
  - c. Exclusive control over a product or the means of producing it
  - d. When businesses choose to compete on the basis of products, service, financing, business location, and reputation.
  
4. What do supply and demand determine?
  - a. The prices and quantities of goods and services produced
  - b. The price customers are willing to pay for the goods producers are willing to make
  - c. Whether prices will go down, go up, or stay the same in the marketplace
  - d. All of the above
  
5. How is a domestic business different from a global business?
  - a. A domestic business sells its products only in its own country, while a global business sells its products in more than one country.
  - b. A domestic business sells its products only in its own country, while a global business sells its products only in other countries.
  - c. Global businesses sell products abroad by selling them online, while domestic businesses have no need to sell products online.
  - d. Both a. and c.

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## Chapter 5—Answer Key

1. b
2. d
3. c
4. d
5. a