

Section 3-1 Review Questions

Name _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Farming is most like which type of business? 1) _____
A) service B) wholesaling C) extraction D) manufacturing

- 2) Manufacturers of industrial goods typically sell to 2) _____
A) consumers B) wholesalers
C) service businesses D) other manufacturers

- 3) Small manufacturers of consumer goods sell 3) _____
A) directly to consumers B) to retailers
C) to wholesalers D) all of the above

- 4) Auto repair is an example of which type of business? 4) _____
A) manufacturing B) trade C) retailing D) service

- 5) Which of the following professional service providers require licensing? 5) _____
A) engineers B) doctors
C) daycare providers D) all of the above

- 6) Wholesalers are also known as 6) _____
A) go-betweeners B) distributors C) middlemen D) all of the above

- 7) McDonald's is an example of a 7) _____
A) franchise company B) all of the above
C) service business D) wholesaling business

- 8) A business that sells goods directly to consumers on the Internet is a 8) _____
A) manufacturing business B) wholesaling business
C) retailing business D) service business

- 9) Which of the following manufactured products is considered consumer goods? 9) _____
A) heavy machinery B) plastic parts
C) lumber D) none of the above

- 10) Which of the following products is typically sold to manufacturing businesses? 10) _____
A) clothing B) plastic parts C) jewelry D) groceries

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 11) A manufacturing business buys goods in large quantities and then resells them to retailers. 11) _____

- 12) Wholesalers are also known as middlemen or distributors. 12) _____

- 13) Wholesalers sell directly to consumers. 13) _____

- 14) Retail businesses include shops and grocery stores. 14) _____
- 15) A business that is either a wholesale or retail business is referred to as a trade business. 15) _____
- 16) A reseller's permit is used by manufacturers to sell to wholesalers. 16) _____
- 17) Some service businesses have licensing requirements. 17) _____
- 18) Manufacturing businesses are predicted to dominate the United States economy in the future. 18) _____
- 19) Fifty years ago, service businesses played a relatively minor role in the economy compared to manufacturing businesses. 19) _____
- 20) Farming is an example of a wholesaling business. 20) _____

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 21) A(n) _____ business converts materials into goods suitable for use and then sells those goods to others. 21) _____
- 22) A(n) _____ business buys goods in large quantities and resells them to retailers. 22) _____
- 23) This type of business buys goods from wholesalers and resells them directly to consumers. 23) _____
- 24) In most states, retailers must have a reseller's _____ to purchase goods tax -free and collect sales tax from consumers. 24) _____
- 25) Dry cleaning, landscaping, and tutoring are examples of a(n) _____ business. 25) _____
- 26) A(n) _____ is an arrangement in which an established company sells the right for others to use the company's name and operating plan to sell products or services. 26) _____
- 27) Mining and oil drilling are examples of _____ businesses. 27) _____
- 28) Which type of business is predicted to dominate the United States economy in the future? 28) _____
- 29) Over the past fifty years, service and trade businesses have replaced this type of business as the primary industry in America. 29) _____
- 30) McDonald's is an example of a(n) _____ company. 30) _____