

# Understanding Capitalism and Free Enterprise

BibleMouse.com

## 5th Grade Economics Review

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Answer the following questions based on what you learned about capitalism and free enterprise.

1. What is the main idea of free enterprise?

- A. Government controls the economy
- B. Individuals can own businesses
- C. Everyone shares resources equally

2. How does free enterprise allow people to use their talents?

---

---

---

3. In a free market, businesses compete to serve customers.

- True       False

4. The economic system where individuals can own property and make their own choices is called \_\_\_\_.

5. Why is competition important in a free market?

- A. It keeps prices high
- B. It encourages innovation and better services
- C. It limits choices for consumers

6. Explain why personal responsibility is important in economics.

---

---

---

---

7. The government has complete control over the economy in a capitalist system.

- True       False

8. According to Proverbs 10:4, a diligent hand brings \_\_\_\_.

9. What is one key principle of free enterprise?

- A. Limited ownership
- B. Voluntary exchange
- C. Mandatory cooperation

10. How can someone use their skills to start a small business?

---

---

---

---

Answer Key

1. Individuals can own businesses 2. Free enterprise allows people to start their own businesses and choose their work, using their skills in ways that benefit themselves and others. 3. True 4. capitalism 5. It encourages innovation and better services 6. Personal responsibility is important because it ensures that individuals work hard and make good choices, leading to economic success and helping the community thrive. 7. False 8. wealth 9. Voluntary exchange 10. Someone can identify a need in their community and offer a product or service that meets that need, using their skills to attract customers and build a successful business.