Part 1

Match the clues with the correct term. Write the letters of the correct terms on the lines provided.

**Answer Key:**
A. businesses  
B. increases  
C. households  
D. decreases  
E. government

1. Who relies on tax revenue from the market economy?  
2. Who do businesses provide jobs and income for in exchange for labor?  
3. In addition to households, this group also is required to pay income taxes.  
4. What generally happens to income tax revenue when incomes go up?  
5. What happens to sales tax revenues when consumers purchase less?

Part 2

Complete the circular flow model shown below by filling in the blanks.
Part 3

Match each item below with the sector it best describes. Write the letters of the correct sectors on the lines provided. Sectors can be used more than once.

**Answer Key:**
A. business
B. government
C. household

_____  1. Earns income and purchases goods and services
_____  2. Provides services and collects taxes
_____  3. Collects taxes and uses labor
_____  4. Supplies labor and makes payments
_____  5. Pays taxes and provides goods and services