

Civics
Unit 6 – *The Economy*
Vocabulary
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1. Economics
2. Needs
3. Wants
4. Scarcity
5. Trade-off
6. Opportunity cost
7. Market economy
8. Capitalism
9. Free enterprise
10. Goods
11. Services
12. Labor
13. Capital
14. Entrepreneur
15. Gross Domestic Product
16. Standard of living
17. Productivity
18. Division of labor
19. Competition
20. Profit
21. Profit motive
22. Saving
23. Interest
24. Demand
25. Law of demand
26. Market demand
27. Utility
28. Substitute
29. Complement
30. Supply
31. Law of supply
32. Market supply
33. productivity
34. Subsidy
35. Surplus
36. Shortage
37. financial capital
38. partnership
39. corporation
40. stock
41. stockholder
42. board of directors
43. limited liability
44. labor union
45. closed shop
46. union shop
47. right-to-work laws
48. collective bargaining
49. strike
50. lockout

Chapter 18 - What is Economics?

- (407)1. Food, clothing, and shelter are examples of _____.
- (407)2. What occurs when we lack the resources to produce the things we want?
- (406)3. Economics is sometimes called the science of _____.
- (411)4. The _____ cost is what you cannot buy or do when choosing to do one thing rather than another.
- (417)5. In a _____ system, private citizens own most, if not all, of the means of production.
- (417)6. _____ are rewards offered to try to get people to take certain economic actions.
- (406)7. What is the study of how we make decisions in a world where resources are limited?
- (407)8. _____ are things we would like to have to make life more comfortable.
- (410)9. When one thing is exchanged for the use of another, it is called a _____.
- (412)10. The additional benefit associated with an action is the _____ benefit.
- (416)11. In a _____, most economic decisions are made by individuals looking out for their own interests.
- (417)12. A _____ system allows businesses to compete for profit with a minimum of government interference.
- (430)4. _____ is a measure of the amount of output produced by a given amount of inputs over a period of time.
- (431)5. What is it called when a job is broken down into several, smaller tasks that are performed by different workers?
- (435)6. _____ is the struggle between buyers and sellers to get the best products at the lowest prices.
- (442)7. What is the payment people receive when they lend money or allow someone else to use their money?
- (424)8. Resources needed to produce goods and services are called _____ of production.
- (425)9. _____ refers to the physical and mental talents that people contribute to the production of goods and services.
- (426)10. Who are the people who start new businesses and introduce new products?
- (427)11. The _____ is the quality of life based on the possession of necessities and luxuries.
- (431)12. When a business concentrates on goods or services that it can produce better than anyone, it is using _____.

Chapter 20 - Demand

- (448)1. _____ refers to the desire, willingness, and ability to buy a good or service.
- (449)2. Which term describes the table that lists the quantities of a product or service over a range of possible prices?
- (450)3. _____ is the extra benefits gained from the purchase of a good or service.
- (449)4. According to the _____, quantity demanded and price move in opposite directions.
- (454)5. _____ refers to the way people think about the future.
- (450)6. Which of the following terms describes the pleasure, usefulness, or satisfaction a person gets from using a product?
- (448)7. _____ and demand work together to set prices.
- (450)8. A knowledge of demand is important for making sound _____.
- (451)9. Diminishing marginal utility is indicated by a downward sloping _____.

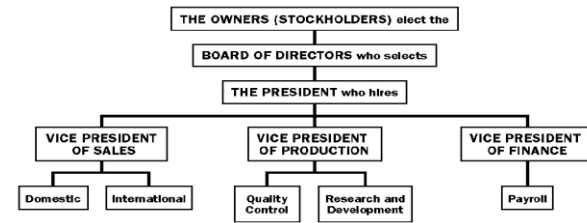
(449)10. Companies are interested in the _____, or the total demand of all consumers for their product or service.

Chapter 21 - Supply

1. What is the term for the principle that suppliers will normally offer more for sale at higher prices and less at lower prices? (463)
2. A _____ is a graph showing the quantities supplied at each possible price. (463)
3. _____ describes the combination of supply schedules for all businesses that provide the same good or service? (464)
4. Higher _____ mean higher costs, which cause a decrease in supply. (468)
5. Supply _____ measures how the quantity supplied changes in response to price changes. (469)
6. A _____ is the amount by which the quantity demanded is higher than the quantity supplied. (472)
7. Price _____ refers to the government-set maximum price that can be charged for goods and services? (473)
8. _____ helps answer what to produce, how to produce, and for whom to produce. (474)
9. In general, when _____ get tighter, supply is restricted. (468)
10. A _____ is a government minimum price that can be charged for goods and services. (473)

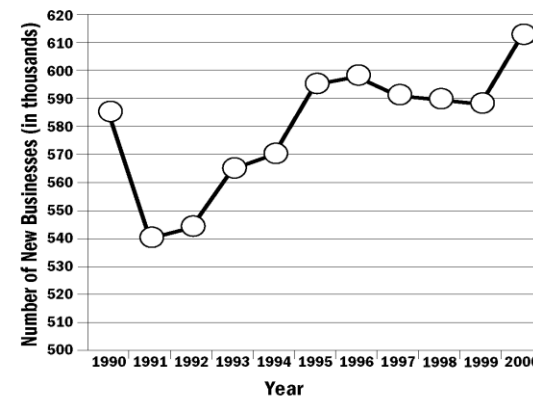
Chapter 22 - Business and Labor

1. A _____ is a business that has many of the rights and responsibilities of an individual. (482)
2. Ownership shares of a corporation are called _____. (482)
3. Businesses are required to treat all workers fairly and without _____. (493)
4. What is the name of a business owned by two or more people? (481)
5. _____ is when union and company officials meet to discuss the terms of the workers' new contract. (488)
6. _____ is when a third party listens to both sides and then decides how to settle the disagreement. (489)



7. In the Corporate Chain of Command, who owns the corporation? (484)
8. How does the president of the corporation get that job? (484)
9. Based on information in the corporate chain of command, how can you tell that the company offers products for sale both at home and abroad? (484)

NUMBER OF NEW BUSINESSES, 1990-2000



10. What year shown on the graph saw the smallest number of new businesses starting up? (480)
11. Between which two years did the number of new businesses fall most sharply? (480)
12. On the graph, find the year in which the greatest number of new business opened. How many new businesses opened in that year? (480)