

## Economics Final Study Guide

### Fundamental Economic Concepts *Chapter 1*

Paradox of Value	Factors of Production	Scarcity
Wants/Needs	Capital goods	Circular Flow of Income
Consumer goods	Division of Labor	Opportunity Cost
Trade Offs	Production Possibilities Frontier	Services

### Economic Systems/Capitalism Basics *Chapter 2 and 3*

Market Economy	Adam Smith	Traditional Economy
Mixed Economy	Command Economy	Economic Goals
Free Enterprise	Laissez-Faire	

### Business Organization *Chapter 3*

Sole Proprietorship	Stock	Partnership
Dividend	Corporation	Entrepreneur

### Money and Personal Finance *Chapter 10.1 and 19*

Barter Economy	Functions of Money	Qualities of Money
Mortgage	Debit vs. Credit Card	Secured vs. Unsecured Credit
FICO Score	Dow Jones Industrial Average	New York Stock Exchange
OTC/NASDAQ	Diversification	Selling Short

### Microeconomics *Chapters 4-7*

Microeconomics	Law of Supply	Law of Demand
Inputs	Substitution effect	Subsidies
Income Effect	Change in Supply	Marginal Utility
Supply Elasticity	Complement	Prices
Substitute	Equilibrium Price	Change in Demand
Elastic/Inelastic/ Demand	Market Shortage	Market Surplus
Price Ceiling	Price Floor	Perfect Competition
Monopolistic Competition	Monopoly	Oligopoly
Market Failures	Public Disclosures	Externalities

### Macroeconomics *Chapters 12.1 and Chapters 13-17*

Gross Domestic Product	Output Expenditure Model	Business Cycle
Business Fluctuation	Recession	Peak
Trough	Expansion	Unemployment Rate
Types of Unemployment	Consumer Price Index	Inflation / Deflation
Creeping Inflation / Hyperinflation	Federal Reserve	Reserve Requirements
Open Market Operations	Discount Rate	Easy/Tight Money Policy
Progressive Tax	Regressive Tax	Proportional Tax
Transfer Payments	Budget Deficit/Debt	Aggregate Supply
Aggregate Demand	Macroeconomic Equilibrium	Fiscal Policy
Demand vs. Supply Side	Automatic Stabilizers	

### International Trade *Chapter 18*

Free Trade	Protectionism	Quota
Foreign Exchange	Imports	Revenue Tariff
Trade Deficit	Comparative Advantage	Balance of Payments
World Trade Organization (WTO)	International Monetary Fund	

### A sneak peak at a few of your final questions...

Unemployment that is directly related to swings in the business cycle is...

Changes in technology and changes in consumer tastes can cause...

In the short run, an increase in the money supply results in...

Aggregate demand will increase when...

Unlike demand-side economics, supply-side economics...

The nation's monetary policy...

Some people believe that a weak economy will result in...

Decreases in aggregate supply can be caused by...

Deregulation is most closely associated with...

A condition of limited consumer spending, high unemployment, and excess capacity at...

manufacturing could be a signal of all of the following EXCEPT...

Tools that the Fed can use to conduct monetary policy include all of the following EXCEPT...

Situation in which some necessities have little value while some non-necessities have a much higher value is known as...

Manufactured goods needed to produce other goods and services are called

To arrive at an economic decision, a decision-making grid may be used to evaluate....

A popular model used to illustrate the concept of opportunity cost is...

An economy at its production possibilities frontier is operating...

Which of the following is not a factor of production category...

The purpose of government in a command economy is to...

Which is not considered an economic and social goal?

Fiscal policy is defined as...

A protective tariff is used to...

Tariffs and quotas can have all of the following effects EXCEPT...

People who favor trade barriers to protect domestic industries from imported products are known as...

Ability of a country to produce a product relatively more efficiently or at a lower opportunity cost is known as...

The balance of payments is...

A quota is different from a tariff in that...

The World Trade Organization settles...

Which group of people ultimately determines the products that a free enterprise economy produces?

The United States can best be described as having a...

The minimum wage is an example of a federal law that supports...

The government's role in a mixed economy is that it the...

An advantage of a corporation is that...

A risk-taker in search of profits is known as a(n)...

For most products and services, increased price results in...

An increase in the price of milk causes a decrease in the demand for cereal. The two products are...

Because a modest price increase has little or no effect, the demand for the product is...

When a customer's need for a product is not urgent, demand tends to be...

Consumers willingness to replace a costly item with a less costly item is an example of...

All of the following can change the market supply curve EXCEPT...

The supply of a product normally decreases if...

The federal minimum wage law demonstrates...

Prices enable a market economy to adjust to unexpected events by...

Perfect competition is characterized by all of the following EXCEPT...

A monopoly that is based on the ownership or control of a manufacturing method, process, or other scientific advance is a...

The government is involved in the US economy for all of the following reasons EXCEPT to...