

ECONOMICS

1. Scarcity is the result of _____ and _____
2. Four factors of production:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
3. What is opportunity cost?
4. Three basic questions of economics:
 - a. _____
 - b. _____
 - c. _____
5. Distinguish between needs and wants. Give an example of a need and a want.
6. What is assembly line and specialization?

Business Organizations

1. What is a sole proprietorship?
2. What is a partnership?
3. What is a corporation?
4. Define nonprofit organizations and multinational. Give examples.
5. What is a merger? What is the difference between horizontal and vertical mergers?

Supply and Demand

	Demand		Supply	
Define				
Change in	Determinants		Determinants	
	1. Taste			



1. What is elasticity?
2. What questions helps to decide if a product is elastic or not?
3. What are some examples of elastic items?
4. What are some examples of inelastic items?

Using Tables: Study the table and answer the questions below.

Market Demand and Supply Schedules			
Price	Quantity Demanded	Quantity Supplied	Surplus/Shortage
\$20	0	20	20
18	2	16	14
16	4	10	6
14	7	7	0
12	11	5	?
10	13	0	-13

At a price of \$12 in the table, does the market have a surplus or shortage? of how many units? Explain how you know.

Price	Quantity Demanded	Quantity Supplied
\$1	14	2
2	12	3
3	10	4
4	8	5
5	6	6
6	4	7
7	2	8
8	0	10

1. What is the equilibrium price?
2. If the government imposed a price floor of \$7, what would result?
3. If the government imposed a price ceiling of \$4, what would result?

Consumer Behavior

3. How do consumers adjust to price changes?
4. If prices increase and wages stay the same what happens to consumer behavior?
5. What happens if only income increases?
6. What is price ceiling? Price floor?

Market Structures

1. Rights of inventors are found where?
2. What is market failure? Examples.
3. What are externalities? Give examples.(Positive and negative externalities)

	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
	Many sellers & buyers			
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Government Agencies

- SEC
- FDA
- FTC

Labor

Types of Unions	Description	Example
Closed		

2. Describe service occupation

3. Define the following:

- a. Unskilled worker
- b. Skilled worker
- c. Professional worker

Taxes (Ch.9)

1. Which amendment authorized the government to collect income tax?
2. What does “incidence of tax” mean?
3. What kinds of taxes does the state collect?
4. What are the three criteria for an effective tax?
5. What are the two principles of taxation? Explain each.

Types of taxes	Description	Example
Progressive		
Regressive		
Proportional		

Government Spending (Ch.10)

1. Describe the process of the federal budget.
2. What are the 2 ways the government spend their money? List examples.
3. When did the government start to increase government spending?

Money (Ch.11)

1. What are the two types of money? Give examples of each.

Financial Markets Investments (Ch.12)

1. Describe a mutual fund and why it is beneficial for a small investor.
2. Price paid for using someone else’s money.
3. What is a bond?
4. What are its three main components of a bond? Explain.
5. Who sells municipal bonds? What are they?

6. What are examples of financial institutions?

Economic Performance

What is the GDP?

1. What is not included in the GDP?
2. What are the 4 components of the GDP?
3. Describe the foreign factor.
4. What does the GDP tell you about a country?
5. What does per capita mean?
6. What does the underground economy deal with?
7. What is the largest measure of national income?
8. What is the consumer price index?

Business Cycle

1. Draw, label, and define all the features of a complete business cycle.
 - a. Peak
 - b. Trough
 - c. Recession
 - d. expansion



2. Who are most impacted by inflation?

Types of Unemployment	Description	Examples
1. frictional		
2. structural		
3. cyclical		
4. seasonal		

Federal Reserve

1. What are the major responsibilities of the FED?
2. How does the Fed regulate the money supply?

3. How would the FED help during a recession?
4. What are legal reserves?
5. What are discount rates?