

# Economics Study Guide – Final Exam

Directions – Answer the questions to the best of your ability.

1. (1.1) The resources used to make all goods and services are the?
2. (2.2) What kind of economic system is the United States economy based on?
3. (1.1) Human capital includes what?
4. (13.2) When prices rise, what happens to your purchasing power if your income does not go up?
5. (7.2) What is one kind of monopoly that the U.S. government generally permits?
6. (3.1) What incentive motivates a manufacturer to sell a product?
7. (2.3) In what kind of an economy does the government make all the decisions?
8. (4.3) Demand for movie rentals is **highly elastic**. What happens to a video store that raises the price of rentals?
9. (3.2) To stabilize the economy, policymakers try to achieve three main outcomes: high employment, steady growth, and \_\_\_\_\_?
10. (12.1) What is the term for the total value of all goods and services produced in a particular economy?
11. (4.1) When a consumer is able and willing to buy a good or service, he or she creates what?
12. (8.4) What are organizations that are in the business of **benefiting society** and do not make a profit?
13. (8.1) If you are the only owner of a family business you are what type of business organization?
14. (8.4) Your uncle owns a convenience store that has branches nationwide. His store is an example of a?
15. (9.3) What type job would a blue-collar worker have? This would be a general category, not a specific job.
16. (10.3) What is a mortgage used to purchase?
17. (9.3) What is collective bargaining?
18. (9.2) Why is the equilibrium wage for doctors is high?
19. (10.3) What happens when you make a purchase using a credit card? Describe the payment process.
20. (10.1) What is something that serves as money but has alternative uses called?
21. (11.3) An example of ownership in a company is?

22. (11.3) A bear market is when what happens?
23. (13.1) What does it mean when a person is underemployed?
24. (14.3) Describe discretionary spending and give an example for the federal government.
25. (14.1) A progressive tax is ?
26. (15.1) The two tools of Fiscal Policy are what?
27. (15.3) The Federal deficit occurs when?
28. (14.4) Local government revenues mostly come from which source?
29. (15.2) The difference between Classical and Keynesian economics is

### **Terms**

30. tax base
31. tariff
32. Medicare
33. discretionary spending
34. balanced budget
35. Federal Reserve System
36. fiat money
37. default
38. interest
39. principal
40. right-to-work law
41. glass ceiling
42. productivity
43. labor union
44. semiskilled labor