

Unit 1 Study Guide – Econ

Directions: Define the terms and answer the questions below to do well on the test. Write # 1-15 on back of this paper.

- |                        |                     |                                   |
|------------------------|---------------------|-----------------------------------|
| 1 socialism            | 5 transition        | 10 factors of production          |
| 2 incentive            | 6 interest group    | 11 scarcity                       |
| 3 safety net           | 7 poverty threshold | 12 production possibilities curve |
| 4 authoritarian        | 8 microeconomics    | 13 opportunity cost               |
|                        | 9 welfare           |                                   |
| 14 traditional economy | 15 trade-offs       |                                   |

16 Any resources that are made by humans and used to create other goods and services are called what? 1.1

17 The collection of resources used to make all goods and services are called the? 1.1

18 A factory building an example which factor of production? 1.1

19 List two of the physical capital used by a woodworker to make furniture. 1.1

20 The purpose of a production possibilities graph is to? 1.3

21 What incentive motivates a manufacturer to sell and produce a product? \_\_\_\_\_, It is a free market philosophy. 3.1

22. You are an entrepreneur with an innovative idea for a new business. In which kind of economy would you have the most opportunity to try to achieve success? 2.2

23\_ An \_\_\_\_\_ is a private organization that attempts to influence public officials to act or vote in ways that will benefit the group's members 3.1

24 What is the term for the total value of all goods and services produced in a particular economy? 3.2

25 A person who consumes a good or service but does not pay for it is called? 3.3

26 What is one benefit provided by Social Security? 3.4

27 What protections does OSHA give to people in the United States? 3.1