

SWA Unit 2 Government Vocabulary

Oligarchy-Government by the **FEW**

Dictatorship-**Single leader** glorified

Federal-Power is divided **EQUALLY** between one central and several regional authorities

Parliamentary Democracy-A system of government having the real executive power vested in a cabinet

Presidential Democracy-**President** is constitutionally independent of the legislature

Autocracy-One person possesses unlimited power

Oligarchy-The **GROUP** gets its power from military power, social power, wealth, etc

Parliamentary Democracy-**Prime Minister**

Monarchy-**King, queen, or emperor**

Unitary-Power is held by **ONE** central authority

Economics Vocabulary

Traditional economy – economy in which decisions are made based upon **custom and habit** of how such decisions were made in the past.

Command economy – economy in which **government planning groups** make most of the basic economic decisions for the workers.

Market economy – economy in which a society's economic decisions are made by **individuals** who decide what to produce and what to buy.

Mixed economy – economy that is located on a **continuum** between pure market and pure command.

Voluntary trade – when **both parties** in a transaction see that they will be able to **gain** something from the exchange of goods or services.

Specialization – those products a country **makes best** and that are in demand on the world market.

Trade barriers – anything that **slows down or prevents** one country from exchanging goods with another.

Tariffs – tax placed on **imported** goods.

Quotas – **limits** on the amount of foreign goods that can come into a country.

Embargos – when one country announces that it will **no longer trade** with another country.

Human capital – the **knowledge and skills** that make it possible for workers to earn a living producing goods or services.

Gross Domestic Product (GDP) – the total value of all goods and services produced by a country in a single year and dividing that number by the total population.

Capital Goods – the **factories, machines, and technology** that people use to make products to sell.

Entrepreneurs – creative, original thinkers who are willing to **take risks to create new businesses** and products.