

Completion of the Unit Test Study Guide is required, for assessment: 0 or 100. If any question is left unanswered, the grade is a zero. Due Date: The day of the test.

The terms to know (below) will be on the Unit Vocabulary quiz the day before the test.

Study guide Economics Unit I test 1011

Terms to know: scarcity, capital (goods), land (as a factor of production), entrepreneur (as a factor of production), labor, human capital, trade-offs, opportunity costs, production possibilities frontier (curve), division of labor, specialization, voluntary exchange, command economy, traditional economy, market economy, mixed economy, the Circular Flow of Economic Activity

1. What is scarcity, and why is it a problem?
2. Scarcity leads to people having to make _____.
3. How would you describe capital goods? Give an example.
4. How would you describe the factor of land? Give an example.
5. Expanded educational opportunities to make people more productive and valuable as employees is an example of what economic concept?
6. A society creates an economic system to deal with the issue of _____.
7. Define opportunity cost. How many opportunity costs does a consumer have when making a decision?
8. What are you showing when you create a production possibilities frontier?
9. What is it called when a nation produces INSIDE the PPF curve? List some causes:
10. A rational decision occurs when the marginal benefits _____ or _____ marginal cost.
11. What is the difference between specialization and division of labor?
12. When labor is specialized, then output will _____.
13. Why is voluntary exchange a good thing?
14. What are some reasons that would cause the PPF curve to move to the right?
15. What are some reasons that would cause an economy to produce inside the curve?
16. Define and explain economic interdependence.
17. What are some characteristics of a command economy?
18. Why can it be said that the U.S. has a mixed economy?
19. In a market, command and traditional economy, how are the Three Questions answered?
20. What are the four roles of government in an economy, and examples of each> (2.3).
21. What is the definition of productivity, and what makes productivity increase?
22. How important is education to personal income?
23. What are some characteristics of the market economy?
24. What are some characteristics of a traditional economy?