Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Economy Study Guide

1. Give 2 examples of each:

Natural resource human resource capital resource

Water Truck drivers factories

Trees doctors tools

Oil teachers trucks

1. Give 2 examples of each:

Goods services

Camera Pet groomer

Book Lawn mowing

Shirt car mechanic

1. A \_\_\_consumer\_\_\_\_ is someone who buys goods and services.
2. Circle 5 characteristics of a market economy

Competition specialization business

Sellers buyers supply

Consumer sovereignty incentives producers

Private property rights producers profit

1. Profit is \_when a business makes more money than it takes to run the business.\_\_\_\_\_\_.
2. Competition is \_when more than one business sells the same good or service\_\_.
3. Make a list of incentives:

Discount sale coupons late fees

1. Voluntary exchange is \_when we choose to buy what we like\_\_\_\_. (example cookies instead of icecream)
2. If prices are lower, sales increase/ decrease.
3. If supplies are high, prices are lower/ higher.
4. An assembly line increases/ decreases production.
5. Division of labor ­increases/ decreases production.
6. \_Specialization\_\_ provides only one kind of good or service.
7. Write a definition for the following words:

Supply and demand: If a lot of people want something, stores run out of it.

Income: money people make from working

Taxes: money given to the government to fix things like bridges and roads

Public goods and services: goods and services used by everyone like roads, bridges and schools.

1. What is global competition?

We buy and sell products all around the world. We compete with the world for jobs. If another car company has a better product, American workers can lose their jobs. With global competition, there is more competition for sales.

1. What is the difference between private and public services? Give examples of each.

Private services- business owned by a person. Bakery, gas station, hair salon, store

Public services- government run businesses. Schools, police departments , fire departments, libraries, roads and bridge