

# GUIDED READING Activity 2-2

For use with textbook pages 43–46

## **E** VALUATING ECONOMIC PERFORMANCE

### **OUTLINING**

**Directions:** Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary.

- I. Economic and Social Goals
  - A. Economic Freedom
    - 1. What are three examples of economic freedom for individuals? \_\_\_\_\_
    - 2. What kind of economic freedom do business owners want? \_\_\_\_\_
  - B. Economic Efficiency—What happens if resources are wasted?  
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  - C. Economic Equity—What are two examples of economic equity?  
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  - D. Economic Security
    - 1. What do American workers want protection from? \_\_\_\_\_
    - 2. What kind of protection does Social Security offer? \_\_\_\_\_
  - E. Full Employment
    - 1. What happens when people work? \_\_\_\_\_
    - 2. What happens when people do not have jobs? \_\_\_\_\_
  - F. Price Stability
    - 1. What is inflation? \_\_\_\_\_
    - 2. What happens to people on fixed incomes when there is inflation?  
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  - G. Economic Growth—Why is economic growth needed as a population grows?  
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  - H. Future Goals—What may happen to our goals as society evolves?  
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- II. Resolving Trade-Offs Among Goals
  - A. What is the opportunity cost of a policy of protecting a domestic industry, such as shoe manufacturers?  
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  - B. What is the trade-off in increasing the minimum wage? \_\_\_\_\_
  - C. How are trade-offs among goals resolved?  
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