

# Economics: Unit 1 – Study Guide

DEFINE AND OUTLINE 20 OF THE FOLLOWING:

This study guide is worth **10 points** and is **due the day of the exam**.

I have provided a **QUIZLETS** flashcard set. I **strongly** suggest you use it to finish the study guide and study for the exam. I strongly suggest you use the Quizlets, so much so that I typed that twice. [https://quizlet.com/\\_1fgocm](https://quizlet.com/_1fgocm)

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|---------------------------------|-------------------------------------|
| 1. Factors of Production        | 29. Rationing                       |
| 2. Capital (human and physical) | 30. Minimum wage                    |
| 3. Shortage                     | 31. Needs/wants                     |
| 4. Scarcity                     | 32. Goods/services                  |
| 5. Opportunity Costs/ Tradeoffs | 33. Underutilization/efficiency     |
| 6. Centrally Planned Economy    | 34. Complementary good              |
| 7. Karl Marx                    | 35. Normal good                     |
| 8. Market Economy               | 36. Inferior good                   |
| 9. Adam Smith                   | 37. Total revenue                   |
| 10. Mixed Economy               | 38. Externality                     |
| 11. Competition                 | 39. Productions Possibility Graph   |
| 12. Self-interest               | 40. Factors that change demand      |
| 13. Specialization              | 41. Excise tax                      |
| 14. Incentive                   | 42. Factors of elasticity           |
| 15. Profit                      |                                     |
| 16. Laissez-faire               | <u>Know How To:</u>                 |
| 17. Ceteris Paribus             | Compute Elasticity                  |
| 18. Demand/Elastic/Inelastic    | Calculate Total Profit              |
| 19. Privatization               | Graph Supply/Demand/Equilibrium     |
| 20. Fixed/variable costs        | Interpret Supply/Demand Curve Shift |
| 21. “Guns or Butter”            |                                     |
| 22. Demand schedule             |                                     |
| 23. Demand curve                |                                     |
| 24. Substitution effect         |                                     |
| 25. Law of Supply               |                                     |
| 26. Equilibrium                 |                                     |
| 27. Price Ceiling/Floor         |                                     |
| 28. Subsidy                     |                                     |