

Consumer Economics Midterm Study Guide

15 Points

My exam is on _____ January _____
at _____ AM. This study guide is due _____

Vocabulary: Define the following terms

Unit 1: Economics and Choice (Ch.1-3)

Cost Benefit Analysis

Efficiency

Macroeconomics

Microeconomics

Unit 2: Supply and Demand (Ch. 4-6)

Complementary goods

Substitute goods

Supply

Demand

Equilibrium Price

Disequilibrium

Unit 3: Market Structures (Ch. 7)

Perfect Competition

Monopoly

Monopolistic Competition

Antitrust Laws

Stockholder

Unit 4: Business Organizations (Ch. 8)

Public Corporation

Bond

Franchise

Demand Deposits

Unit 5: Measuring Economic

Performance (Ch 12-13)

Gross Domestic Product (GDP)

Per Capita GDP

Literacy Rate

Aggregate Demand

Depression

Structural Unemployment

Inflation

Unit 6: Government in Economy (Ch. 10, 15-17)

Federal Reserve Note

Federal Funds Rate

Economic Interdependence

Trade Barrier

European Union (EU)

World Trade Organization (WTO)

Personal Finance

Diversification

Questions

Unit 1: Economics and Choice (Ch.1-3)

1. What are the four factors of production?
2. What does "No such thing as a free lunch" mean?
3. What is the difference between positive and normative economics?
4. For what is Adam Smith known?
5. Describe elements of a market economy.
6. What is a circular flow model?
7. What is the basic economic problem of all people and countries?

Unit 2: Supply and Demand (Ch. 4-6)

8. Draw a supply and demand curve. Label all parts. For what is each used? What do the points represent?
9. Where is equilibrium on a supply and demand curve?
10. What are factors that influence supply?
11. How does lowering prices affect producers and consumers?

Unit 3: Market Structures (Ch. 7)

12. Name and describe the different types of monopolies.

Unit 4: Business Organizations (Ch. 8)

13. Name and describe the different types of business organizations.
14. How are stock prices determined?

Unit 5: Measuring Economic Performance (Ch. 12-13)

15. What is the difference between real and nominal GDP?
16. What is a business cycle?
17. Name and describe the three different indicators that measure economic performance.
18. What is the difference between demand-pull inflation and cost-push inflation?
19. In what two ways does the government influence the economy?

Unit 6: Government in Economy (Ch. 10, 15-17)

20. What is the Federal Reserve System?
21. When does demand for money increase and decrease?
22. Who created the first bank of the United States?
23. Explain expansionary and contractionary monetary policy. What are they also known as?
24. What are the different types of tariffs?

Personal Finance

25. What is the difference between banks and credit unions?
26. What are the three guidelines for investing?
27. What are the least risky and riskiest investments?