

Name:

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Date:

Study Guide

Unit 4: Economics

Vocab Quiz: Wednesday, March 21st

Unit Test: Thursday, March 22nd

1. For your vocab quiz, you need to be able to match the following words to their definitions: **exchange, income, circular flow, price, substitute goods, incentive, specialization, division of labor, productivity, export, import, employed, unemployed, labor force.** These can be found in your notebook's WWK section or on the class website.

2. What is an incentive?

3. Explain the difference between positive and negative incentives:

4. Give an example of a positive incentive and explain what it gets people to do:

5. Give an example of a negative incentive and explain what it gets people to do:

6. Lower supply = _____ price

7. Higher supply = _____ price

8. Lower demand = _____ price

9. Higher demand = _____ price

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10. A candy store noticed no one is buying their tomato-flavored lollipops. They have been on the shelves a long time and the store wants to get them all sold. Should they raise or lower the price of the lollipops?

11. What is productivity? _____

What is division of labor? _____

12. How does division of labor increase productivity? Think about assembly lines and what happens that helps them to make more product more quickly!

13. Think of the global economy (another country can sometimes make the same product--often for much cheaper)! What are the effects on...

U.S. Companies? _____

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U.S. Jobs? _____

Product quality? _____
