

# Unit 7 Social Studies Review- Key

Define scarcity	When an item is in short supply. There is not enough of an item to meet the demand.
What was the impact for a company using an assembly line?	More items were able to be sold at a lower price.
If the supply of an item is high, but the demand is low, how can a company boost the sales?	Put that item on sale. Lower the price.
Define savings.	When you put money from your income away to use at a later time.
Define free market & provide an example.	Businesses choose the price to sell their items. A business can choose whether they would like to raise the price of an item, or put that item on sale by lowering the price.
What would happen if the supply of a popular item decreased?	<ul style="list-style-type: none"><li>• The demand will be higher.</li><li>• Customers will not be pleased if they are unable to buy the item they want.</li><li>• The store will lose out on sales.</li></ul>

Define profit.	<p>The difference between the amount you earn from selling the item and the amount you spend to make the item.</p> <p>Example: It costs \$5 to make a toy, but I sell it for \$10. I make a \$5 profit. (<math>\\$10 - \\$5 = \\$5</math>)</p>
What would happen to your profit if the price to make your item went up?	The profit would decrease.
Define budget	<p>A plan for how to spend money that you earn including monthly income and monthly expenses.</p> <p>Donations and savings are also included in a budget.</p> <p><i>*Remember your goal is to have extra savings left over when you subtract your expenses from your income.*</i></p>