Economy Vocabulary

1. Economic Systems – System in which a society decides how to use limited resources
2. Traditional Economy – Economy where decisions are made according to tradition or custom.
3. Command Economy – A centralized economy in which government planning groups make most of the decisions.
4. Market Economy – Economy where decisions are made by individuals.
5. Mixed Economy – Economy that has characteristics of both command and market economies.
6. Supply – The amount of goods available.
7. Demand – How many people want the goods available and what they are willing to pay for them.
8. Trade Barrier – Anything that slows down or prevents one country from trading with another.
9. Tariff – Tax placed on goods when they are imported.
10. Quota – Sets a specific amount of a product that can be imported in a given period.
11. Embargo – When one country announces that it will no longer trade with another country; established to encourage government change.
12. Import – goods brought into a country
13. Export – goods sold to another country
14. Trade – Exchanging goods with another country
15. Scarcity – a lack of a good or resource.
16. Currency – A country's money used in trade.
17. Exchange rate – How much a currency is worth compared to another currency
18. Physical Capital – Factories, machines, and technology that people use to make goods or services.
19. Human capital – Education and training that workers use to produce goods or services.
20. Literacy rate - the percentage of a population can can read and write
21. Gross Domestic Product (GDP) – Total value of all goods and services produced by a country in a single year.

22. Per capita GDP – average income per person for a population (divide GDP by total population)
23. Entrepreneur- creative, original thinkers who are willing to take risks to create new businesses and products
24. Specialization- those products a country makes best and that are in demand on the world market
25. Services – jobs people do to help others.

Middle East Economy Vocab

26. OPEC – Group of countries that influence world oil prices by affecting the supply of oil
27. Production – making goods and services
28. Consumption – Buying and using goods and services
29. Distribution – How people get goods and services
30. Barter – to trade for goods/services without money
31. Voluntary trade – Where trade is beneficial to all parties or countries involved

Asia Economy Vocab

32. Cooperatives – farms that are owned by the government: workers are told what produce they may produce
33. Barter – a system in which goods and services are exchanged instead of using cash as a payment in a traditional economy
34. Green Revolution – a time period in India (1960's) when they tried to modernize their agriculture system by introducing new types of seeds and grains, and fertilizer and pesticides were made available.
35. Bollywood – film industry based in Mumbai, India.
36. Kim Jong-il – Former leader of North Korea
37. Self-Sufficient – produces all the goods and services a country needs.
38. Great Leap Forward – name given to China's attempt in the 1950's to reorganize its economy

39. Cultural Revolution – name given to China's attempt in the 1960's to improve its economy by reorganizing farms, businesses, and most of society.
40. Collective Farms – where people work together and share whatever they produce
41. Four Modernizations – a name given to China's attempt in the 1970's to reorganize its economy
42. Special Economic Zones – a name given to those areas that were set up along the coastal areas to try to encourage foreign companies to do business with China
43. Ministry of International Trade and Industry (MITI) – a group that helps companies decide what products will sell best on the global market
44. Protective Tariff – a tariff that protects local manufactures from competition coming from cheaper goods made in other countries