Name: ______________________ Block: ____ Final Exam Date: ___________________

Economics Final Review Guide
Miller

Final Exam Makes up 15% of the student's overall grade and is its own separate grade category (does not go in with your other test and quiz category).

- Students can use the following link to see how impactful their final exam score may be to their overall grade: [Final Grade Calculator].

Final Exam Question Breakdown:
- Unit 1: Basics of Economics: 23 Questions
- Unit 2: Financial Investment, Supply/Demand, and Economic Systems: 23 Questions
- Unit 3: Market Structures and Business Organizations: 22 Questions
- Unit 4: Labor, Unions, and Government Economic Interactions 22 Questions
- ~~Unit 5: The Global Economy: 10 Questions. (see class website for content).~~

*** There are no questions from your "Naked Economics" Readings on the Final Exam.***

Types of Questions Breakdown:
- 100 Total Questions
    - 20 True/False
    - 20 Stimulus Multiple Choice
    - 60 Multiple Choice

Know and be able to identify examples of all the vocabulary terms that are provided from your other review guide. In some cases, be able to show how these terms can be applied.

Unit 1 Basics of Economics
- Differences and similarities of:
    - Microeconomics:
    - Macroeconomics:
- Basic economic question: How to allocate scarce resources.
- Framework of economics: What are the 4 basic questions of economics?
    1.
    2.
    3.
    4.
- What is included when identifying the factors of production? (FOP), show examples of each.
    - Natural resources:
    - Human resources:
    - Capital resources:
    - Entrepreneurship:
- Opportunity costs and trade-offs.
    - How can any decision that is made be put in economic terms?
    - Distinguish the differences between trade-offs and opportunity costs.
    - How do the factors of production tie in with trade-offs and opportunity costs? Give examples of consumer and industry choices.
    - What is a production possibilities curve? What does it show and how could it be used?
        - Inefficient use of resources or production impossibilities.

Unit 2 Savings, Investment, Economic Systems and Supply and Demand

- Characteristics of the stock market:
  - How is trading carried out?
  - What does the Dow show?
  - Bull vs. Bear markets.
- What is the overall goal of every business?
- Identify characteristics and examples of the different economic systems. Advantages/disadvantages and practical use of the systems.
  - Traditional
  - Command
  - Market
  - Mixed (most common form and can be broken into subgroups)
- Adam Smith's connection to these systems (Invisible Hand?)
- What type of role does the gov. play in our system?
  - Externalities? Good/Bad examples
- Demand: Nature, Shifts, and Elasticity
  - Demand and the "Law of Demand"
  - Demand Schedules: What do they show? Be able to read a demand schedule. Individual/Market (Examples)
  - Demand Curve:
    - What things can shift a demand curve (6 factors)? Increase/Decrease examples:
  - Law of diminishing marginal utility:
  - Elasticity of demand:
    - Elastic: (how would the curve look?) examples of things that have elastic demand?
    - Inelastic (how would the curve look?) examples of things that have inelastic demand?
- Supply: Nature, Shifts, and Elasticity
  - Supply and "The Law of Supply"
  - Supply Schedules: What do they show? Be able to read a demand schedule. Individual/Market (Examples)
  - Supply Curve:
    - What things can shift a supply curve (6 factors)? Increase/Decrease examples:
  - Marginal product:
    - Specialization
    - Increasing returns
  - Production costs:
    - Fixed:
    - Variable:
  - Total and marginal costs:
  - Elasticity of supply:
    - Elastic vs Inelastic: (how would the curve look?) examples of things that have elastic supply?
      - Perfect elastic and inelastic supply:
- Setting Supply and Demand Market Equilibrium
  - How would you find the market equilibrium? Example in a schedule or graph form?
  - Surplus: Example in graph form:
  - Shortage:Example in graph form:
  - Disequilibrium:
    - How does the market equilibrium change when either supply or demand lines shift? What happens to price? What happens to quantity? Be able to draw examples.
  - Prices as incentives:
  - Competitive pricing:
  - 2 advantages of pricing:
    1.
    2.

Unit 3 Market Structures and Business Organizations

- Perfect competition: Identification~
  - Characteristics (5 total)
  - Examples:
  - How does the perfect competition model apply in real markets?
- Monopoly: Identification~
  - How can a cartel act as a monopoly?
  - How do barriers to entry help strengthen a monopoly?
  - Characteristics (4 total)
  - Identify and provide examples of the different types of monopolies.
    - Natural
    - Government
    - Technological
    - Geographic
- Monopolistic competition: Identification~
  - How does product differentiation and non-price competition factor in with this type of market structure?
  - Examples of each:
  - Characteristics (4 total)
  - Examples of this market structure and how it applies in real markets.
- Oligopolies: Identification~
  - Characteristics (4 total)
  - Examples:
  - How do interdependent pricing and price leadership factor in to an oligopolistic market?
  - Examples of each:
  - Legal vs. non-legal oligopolies:
    - Collusion and cartels.
- Sole proprietorship:
  - Identification/Characteristics:
  - Advantages:
  - Disadvantages:
  - Examples:
- Partnership:
  - Identification/Characteristics:
    - General
    - Limited (silent)
  - Advantages
  - Disadvantages
  - Examples:
- Corporation:
  - Identification/Characteristics:
  - Advantages
  - Disadvantages
  - Examples:

Unit 4 Labor/Unions and Government Interaction with the Economy

- Who makes up the U.S. labor force?
    - How is it identified what is considered when examining it?
    - What challenges/advantages do women face in the workforce?
        - Glass Ceiling
        - Affirmative Action
- Characteristics and examples of the different types of employment.
    - Seasonal
    - Frictional
    - Cyclical
    - Structural
- How does the government try to decrease unemployment rates?
- What is the process for establishing a successful labor contract?
    - Be able to identify each of the different levels or steps.
        - Collective bargaining
        - Mediation
        - Arbitration
    - What happens if agreements can not be reached?
- What are the 4 primary economic goals for the government?
    - How do they try to accomplish these goals? Be able to identify examples for each.
- What are interest groups and how do they influence government policy?
    - Types of groups
    - Use of lobbyists for interest groups
    - What tools or methods do lobbyists use to try to influence government policies.
- What happens when the supply of dollars in circulation increases?
- How is a recession characterized?
- What is inflation and how is it caused?
- Gross Domestic Product and how is it used in our financial system?
- Fiscal vs. Monetary policies. (who is responsible for making them and what do they focus on?)
- What is the Federal Reserve responsible for?
    - What is the structure of the Federal Reserve?
- What does the Consumer Price Index do and how is it used?

~~**Unit 5 Global Economy**~~

- ~~How do consumers benefit from imports?~~
- ~~What occurs when nations trade products with one another?~~
- ~~Characteristics of different levels of development:~~
    - ~~Developed~~
    - ~~Developing or Transitional~~
    - ~~Less Developed~~
- ~~Activities that make up the global economy:~~
    - ~~Primary~~
    - ~~Secondary~~
    - ~~Tertiary~~
    - ~~Quaternary~~
- ~~Differences between Gross Domestic Product (GDP) and Gross National Product (GNP)~~
- ~~What standards measure economic development?~~
- ~~Differences between absolute and comparative advantages.~~
- ~~Examples of different trade barriers. What are they used for?~~
    - ~~Protectionism~~
- ~~Examples of "Balance of Trade" where the U.S. is currently.~~
    - ~~Trade deficit.~~

Economics Final Exam Identification Review Sheet
Mr. Miller

UNIT #	UNIT TITLE	UNIT #	UNIT TITLE
1	Basics of Economics	4	Labor, Unions, and Government Interaction with the Economy
2	Economic Systems and Supply/Demand	5	Global Economy
3	Market Structures and Business Organizations		

UNIT	DES	IDENTIFICATION	#	DESCRIPTION
1	7	Microeconomics	1	A government order that forbids importing or exporting goods with a specified nation.
1	12	Macroeconomics	2	A building, structure, machine or tool that is used to produce goods or services.
5		Revenue Tariff	3	The organizational abilities and risk taking involved in starting a new business or introducing a new product to consumers.
5		Embargo	4	An economy in which a central government authority makes all basic economic decisions and controls the factors of production
5		Expropriation	5	A finished product that is consumed by an individual.
1		Factors of Production	6	A market-based economic system in which individuals own and control the factors of production.
1		Capital Resources	7	The study of a single factor of an economy (individuals, households, businesses, and industries) rather than the economy as a whole.
1		Capital Goods	8	The amount of a good or service that consumers are willing and able to buy at various prices during a given period. Data is shown in a table and then represented in a curve.
1		Consumer Goods	9	The situation that exists when quantity demanded changes greatly in response to a change in price.
1		Entrepreneurship	10	A tax or customs duty that a nation's government places on imports in order to raise money
2		Traditional Economy	11	The principle that, all other factors being equal, consumers will purchase more of a good at lower prices and less of a good at higher prices.
2		Command Economy	12	The study of an entire economy or one of its principal sectors.
2		Market Economy	13	The situation that exists when quantity demanded changes only slightly or not at all in response to a change in price.
2		Capitalism	14	The seizure of private property by a government, either with no payment or only partial payment to its owners.
2		Socialism	15	A resource used to produce goods and services (Natural, Human, Capital)
2		Demand (schedule and curve)	16	An economy in which the government has little say in what, how, and for whom goods are produced in which the factors of production are owned by individuals.
2		Law of Demand	17	Something that encourages an action or effort. Expectations of rewards and fear or losses are examples of both.
2		Elastic Demand	18	An item that is used in the production of other goods and services.
2		Inelastic Demand	19	A theory or system of social organization that advocates the ownership and control of the means of production, distribution, capital, land etc. is owned by the community as a whole.
2		Economic Incentive	20	An economy in which production is based on customs and traditions.
2		Supply (schedule and curve)	21	The situation that exists when the quantity supplied changes only slightly or not at all in response to a change in price.
2		Law of Supply	22	The amount of a good or service that producers are willing to sell at various possible prices during a given period. Data is shown in a table and then represented in a curve.
2		Profit	23	The total cost of materials, labor, and other inputs required in the manufacture of a product.

2		Costs of Production	24	The situation that exists when quantity supplied changes greatly in response to a change in price.
4		Monetary Policy	25	The difference between the revenue received from the sale of a good or service and the costs of providing that good or service.
2		Elastic Supply	26	The principle that producers will supply more of a product or service at higher prices but less of a product or service at lower prices.
2		Inelastic Supply	27	A government's plan for regulation of a nation's money supply and availability of credit in order to accomplish certain economic goals. Usually established by the Federal Reserve System.
2		Surplus	28	A situation in which the quantity supplied of an item at a given price exceeds the quantity demanded.
2		Shortage	29	The additional output obtained by employing one more unit of input.
1		Specialization	30	The sum of the fixed and variable costs involved in the production of a good or service.
2		Total Product	31	The cost of doing business that remains constant as production increases or decreases.
2		Marginal Product	32	The sum of a business's fixed costs except for wages and material costs.
2		Law of Diminishing Returns	33	The value lost by rejecting one use of resources in favor of another. In other words, an action's opportunity cost is the value of the next best alternative action that is not taken.
2		Fixed Costs	34	All the goods and services produced by a business during a given period of time with a given amount of input
2		Variable Costs	35	The focus of a worker on only one or a few aspects of production in order to improve efficiency.
2,5		Depreciation	36	A situation in which the quantity demanded of a good or resource exceeds the quantity supplied.
2		Overhead	37	A decline in the value of one nation's currency relative to that of another nation.
2		Total Costs	38	The principle that as more of one input is added to a fixed supply of other resources, productivity will increase up to a point, after which the marginal product will diminish. (donut example)
2		Marginal Costs	39	The cost of doing business changes directly with a change in the level of output, typically rising and dropping as production increases or decreases.
1		Opportunity Costs	40	The cost of producing one additional unit of output.
1		Trade offs	41	The fundamental condition of economics that results from the combination of limited resources and unlimited wants.
1		Scarcity	42	The sacrifice of one good in order to purchase or produce another.
1		Allocation	43	Unemployment that is caused by downturns in the business cycle.
2		Market Equilibrium	44	The overall government program that establishes levels of taxing, borrowing, and spending that promote the desired economic goals for the nation. Established by the national and local governments.
6		Fiscal Policy	45	The point at which the quantity supplied and the quantity demanded for a product are equal at the same price.
4,5		Gross Domestic Product	46	Unemployment that results from seasonal variations in the economy.
4,5		Gross National Product	47	To distribute scarce resources such as land, money, equipment, or labor in order to satisfy the greatest # of needs and wants.
4		Frictional Unemployment	48	Unemployment that is caused by the changes in technology, government policies, long-term consumer demand for certain products, population trends, and other factors related to the business cycle.
4		Structural Unemployment	49	(GDP) The total value of all final goods and services produced within a country in a given year.
4		Seasonal Unemployment	50	A measure of changes in the prices of market basket items, specific goods and services commonly purchased by a typical family.
4		Cyclical Unemployment	51	Temporary unemployment caused by factors that are not related to the business cycle.

4		Inflation	52	The total value of all final goods and services produced by factors of production owned by citizens of a given country. Includes the income of the overseas divisions of that countries companies.
4		Consumer Price Index	53	A share of ownership in a corporation.
4		Deflation	54	A financial market in which the prices of stocks, bonds, or other traded commodities is generally on the decline and in which investors believe that prices will continue to fall.
4		Federal Reserve System	55	A U.S. federal banking system that is under the control of a central board of governors (Federal Reserve Board) with a central bank (Federal Reserve Bank) in each of the 12 districts and that has wide powers in controlling credit and the flow of money as well as performing other functions.
2		Stocks	56	A general decrease in the prices of all goods and services.
5		Balance of Trade	57	The difference between the value of a nation's exports and that of its imports.
2		Bull Market	58	A financial market in which the price of stocks, bonds, or other traded commodities is generally on the rise and in which investors believe prices will continue to rise.
2		Bear Market	59	A market in which stocks are bought and sold.
2		Stock Exchanges	60	An increase in overall prices that results from rising wages, an increased money supply, and increased spending relative to the supply of products.
4		Open Shop	61	A market in which many producers offer a similar, but not identical, good or service.
3		Monopoly (4 different types)	62	An effort by producers or sellers of a particular product to secretly set production levels or prices.
3		Monopolistic Competition	63	A business where membership in a labor union is not a condition of employment.
3		Oligopoly	64	A group of producers or sellers of a certain good or service who unite to control prices, output, and market shares.
3		Collusion	65	A market in which a single seller exercises exclusive or nearly exclusive control over a particular good or service (Natural, Geographic, Technological, and Government)
3		Cartel	66	A group of companies that combine to eliminate competition in an industry and thereby gain a monopoly.
3		Perfect Competition	67	A business owned and controlled by 2 or more people who share in its profits and are responsible for its losses. (General and Limited)
3,4		Trusts	68	A market in which a few large sellers control most of the production of a good or service.
3		Sole Proprietorship	69	A share of ownership in a corporation, grants dividends and voice in corporate management to the shareholder.
3		Partnerships (2 Types)	70	A document representing a loan made by an investor to a corporation.
3		Corporations	71	A business that is owned and managed by one person.
2,3		Common Stock	72	The ability of a nation, region, or company to produce a certain good or service more cheaply than any other county.
2,3		Preferred Stock	73	An ideal market condition that includes a large number of sellers of identical goods and services in which no one seller controls supply or prices.
2,3		Shares	74	The ability of a nation, region, or company to produce a certain good or service more efficiently and cheaply than any other nation, region, or country.
2,3		Dividends	75	The smallest unit of ownership in a corporation usually expressed as one share of stock or the portion of an owner's interest in a business.
2,3		Corporate Bond	76	A stockholder's portion of a corporation's profit.
5		Comparative Advantage	77	A share of ownership in a corporation.

5		Absolute Advantage	78	A business that is owned collectively by those who use its goods and services.
3		Franchise	79	A business in which a group of owners, called stockholders, share in the profits and losses.
3		Cooperatives	80	A business that pays another established business to use the latter's name and product line.
4		Labor Force	81	All persons in a nation who are at least 16 years old and are either working or actively looking for work.
4		Intrinsic Reward	82	An organization of workers that negotiates with employers for better wages, improved working conditions, and job security.
4		Derived Demand	83	A process for settling a dispute in which a mutually agreed-upon 3rd party listens to each side and makes a settlement decision.
4		Affirmative Action	84	The process by which labor union leaders, speaking for the members they represent, and management representatives meet to negotiate labor contracts.
4		Labor Union	85	A court order in a labor dispute that forbids specified acts by specific individuals or groups.
1		Production Possibilities Curve.	86	An individual who is paid to influence legislators and government administrators to act in ways that are favorable to the lobbyist's employers.
4		Closed Shop	87	A nation with little industry and that has a low standard of living in comparison with developed nations.
4		Collective Bargaining	88	Non-monetary compensation that has no financial worth but is desirable because of the recipient's personal values.
4		Mediation	89	Any limitation of the flow of goods between nations.
4		Arbitration	90	A non-wage payment that employers make to employees in addition to basic wages. (sick leave, vacation time, benefits, insurance)
5		Protectionism	91	A process for settling disputes in which a 3rd neutral party listens to each side, asks questions and clarifies issues, and proposes a solution.
4		Injunction	92	A nation with a high level of industrial development and technical expertise, as well as various established economic institutions such as banks and stock markets.
4		Interest group	93	The increased demand for resources, such as labor, that results from consumer demand for a particular product.
5		Developed Nation	94	A business that hires only labor union members.
5		Developing or Transitional Nations	95	The basic facilities and services that an economy needs in order to function.
4		Lobbyist	96	The use of trade barriers to protect a nation's local industries against foreign competition.
5		Infrastructure	97	An agreement not requiring congressional legislation between 2 or more nations to limit or control trade by restricting shipments of certain products to a particular country.
4		Fringe Benefit	98	A program, supported by law, requiring U.S. employers, labor unions, and other institutions to eliminate discrimination against women and minorities by increasing hiring, promotion, training, and other opportunities for members of these groups.
5		Voluntary Trade Restriction	99	A group whose members hold common political beliefs and work to influence government officials, policies, and practices.
5		Trade Barrier	100	A graphic representation showing all of the possible combinations of 2 goods or services that can be produced in a stated period, assuming that the amount of available resources and technology will not change during the period, and that all of the natural, human, and capital resources involved are being used in the most efficient manner possible.