

Sharyland ISD Study Guide

Economics



Student Name: _____

Student ID: _____

Economics CBE Review

TEKS Review

1	What is Opportunity Cost?																													
1A	<p>What is Scarcity?</p> <p>Why is Economics Described as study of Choice?</p>																													
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Land																														

Labor			
Capital			
Entrepreneurship			

1D

What does a Production Possibilities Frontier (PPF) Represent?

How many products are represented in a PPF?

On a PPF, where do you find:
Efficient Production?

Inefficient Production?

Impossible Production?

What does movement outward (to the right) in a PPF represent?

What does movement inward (to the left) in a PPF represent?

How do you use a PPF to calculate Opportunity Cost between two possibilities?

2

What does a Supply and Demand Curve represent?

What is the vertical axis of a supply and demand curve?

What is the horizontal axis of a supply and demand curve?

Why is a supply curve usually upward sloping?

Why is a demand curve usually downward sloping?

What is the point where the supply and demand curves intersect called?

2A

Complete the table

Change in Supply and Demand	How does it effect the curves?	How does it effect the equilibrium price and quantity?
Increase in Demand		
Decrease in Demand		
Increase in Supply		
Decrease in Supply		

2B

What are the 3 determinants of supply?

What are the 5 determinants of demand?

2C

What term do we use for the charts used to create graphs in economics?

	<p>What is it called when price changes but moves along the same supply curve?</p> <p>What is it called when price changes but moves along the same demand curve?</p>
3	<p>How does international trade effect the PPF?</p> <p>How does specialization lead to trade?</p>
3A	<p>What is absolute advantage in economics?</p> <p>What is comparative advantage in economics?</p> <p>How do we use absolute and comparative advantage in international trade?</p>
3B	<p>What are 4 examples of barriers to free trade?</p> <p>What are some potential benefits to free trade barriers?</p> <p>What are some potential costs to free trade barriers?</p>
3C	<p>What is the role of money in trade?</p>

Why is the US Dollar used for 90% of all international trade?

How are the values of different currencies determined?

4

Complete the Table

Economic Structure	Definition	Example
Capitalism		
Socialism		
Communism		

4A

What is the best definition of property rights?

What is the best definition of economic freedom?

What is the best definition of competition?

4B

What are some historical successes and failures of capitalism?

What are some historical successes and failures of socialism?

What are some historical successes and failures of communism?

4C

Complete the Table

Philosopher	Summary of their economic theories	How do we see this in the US economy today?
Friedrich Hayek		
Milton Friedman		
John Maynard Keynes		
Adam Smith		

5

What are the 7 characteristics of the American Free Enterprise System?

5A

What are the functions of government in the American Free Enterprise System?

5B	<p>How does the US Government protect property rights?</p> <p>How does the US Government protect economic freedom?</p> <p>How does the US Government protect competition?</p>
6	<p>What do AVC, AFC, ATC, and MC mean?</p>
6A	<p>What are some examples of Variable Costs for a business?</p> <p>What are some examples of Fixed Costs for a business?</p>
6B	<p>What is the best definition of a Tax?</p> <p>What is the best definition of a Regulation?</p> <p>What is the best definition of Antitrust?</p>
7	<p>In the space below, draw a Circular-Flow Model and label the following parts: Households, Business, Product Market, Resource Market, Costs, Income, Spending, Revenue, Resources, Goods and Services, Government Spending, Taxes, Subsidies, Welfare, Transfer Payments</p>

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7A

Give one example for each part of the Circular Flow Model:

Households:

Businesses:

Resource Market:

Product Market:

Income:

Costs:

Spending:

Revenue:

Resources:

Government Spending:

Taxes:

Welfare:

Subsidies:

Transfer Payments:

7B How is a Circular Flow Model with government actions different than a Circular Flow Model without government actions?

8 List the 4 types of market structures from most competitive to least competitive:

8A Complete the Table

Market Structure	Types of Products	Barrier to Entry	# of Firms	2 Examples
Monopoly				
Oligopoly				

	Monopolistic Competition				
	Perfect Competition				

8B

What is the best definition for “Barrier to Entry?”

What is the best definition for “Game Theory?”

9

What are 4 examples of Economic Indicators?

What does “GDP” stand for?

9A

Define the following:

Inflation:

GDP:

Unemployment Rate:

Structural Unemployment:

	<p>Frictional Unemployment:</p> <p>Business Cycle:</p>
9B	<p>Define the following:</p> <p>Peak:</p> <p>Recession:</p> <p>Trough:</p> <p>Recovery:</p> <p>Depression:</p>
10	<p>How do economies “grow?”</p>
10A	<p>How does productivity relate to economic growth?</p>
10B	<p>How does technology relate to economic growth?</p>
10C	<p>How does trade relate to economic growth?</p>

11	What is the best definition of “money?”
11A	Define the following: Universal 3rd Good: Commodity Money: Fiat Money: Gold Standard: Coincidence of Wants:
11B	Define the following: Barter: Currency: Debit Cards:
12	What is the dual mandate of the Federal Reserve? How are these goals opposed?
13	Define the following:

	<p>Profit Motive:</p> <p>Open Opportunity:</p> <p>Legal Equality:</p> <p>Private Property Rights:</p> <p>Free Contract:</p> <p>Voluntary Exchange:</p> <p>Competition:</p>
14	<p>Define the following:</p> <p>Contractionary Monetary Policy:</p> <p>Expansionary Monetary Policy:</p>
15A	<p>Define the following:</p> <p>Sole Proprietorship:</p> <p>Partnership:</p> <p>Corporation:</p>

15B	Identify the Advantages and Disadvantages of: Sole Proprietorship: Partnership: Corporation:
16A	What is the role of banks?
16B	What are the similarities and differences between Savings Account, Stocks, and Bonds?
16E	What is a Credit Score?