

Economics Final Exam Study Sheet  
Holt-McDougal 2014

- What does the saying "There is no such thing as a free lunch" mean? Pg13
- What does a point inside the curve of a PPC indicate? Pg20
- Which of the following would macroeconomics study? Pg27
- The United States decides what goods to produce by letting Pg39
- With voluntary exchange, a buyer and seller agree to do business together Pg49
- When a nation's economy privatizes it changes from Pg61
- When a nation's economy nationalizes it changes from Pg61
- In economic terms, *laissez faire* means that the government Pg49
- The money left after production costs are subtracted from revenue is called Pg78
- Public goods are funded by Pg84
- A person who does not pay for a service but benefits from it is called a(n) Pg85
- Which is an example of a public good? Pg84
- What two factors are necessary for demand? Pg98
- Which economic concept is defined as the measure of how responsive consumers are to price change? Pg117
- As sales of digital cameras increase, so do sales of photo printers. What factor is affecting demand? Pg112
- Which statement best explains why demand for gasoline is inelastic? Pg117
- According to the law of supply, when prices increases, Pg130
- The additional expense of producing one more unit of a product is called Pg140
- Total cost is the sum of Pg140
- Why do small businesses often become more efficient when they add workers? Pg139
- Equilibrium price is the price at which the quantity of a product demanded by consumers and the quantity supplied by producers Pg164
- Supply can be changed by Pg148
- Companies engage in competitive pricing to Pg174
- On a demand and supply graph, an increase in demand causes the demand curve to Pg169
- A market structure in which only one seller sells a product for which there are no close substitutes is called a Pg198
- A situation in which the average cost of production falls as the producer grows larger is called Pg201
- Laws that give government the power to control monopolies and to break them up are called Pg214
- An example of perfect competition is when Pg192
- What do many people consider to be the chief advantage of sole proprietorship? Pg226
- What is the name for an individual who owns a share of a corporation and is entitled to part of its profits? Pg238
- What is it called when companies that produce the same product merge? Pg243
- What is the name for a contract in which a corporation promises to repay borrowed money, plus interest, on a fixed schedule? Pg240
- The wage at which the number of workers needed equals the number of workers available is called Pg258
- The practice of contracting with an outside company to provide goods or services is called Pg269
- Contingent workers* is a term used for Pg270
- An organization of workers that seeks to improve working conditions is called a(n) Pg274
- Money whose value is based on the type of material from which it is made is called Pg291
- Demand deposits are Pg293
- Fractional reserve banking Pg305
- The biggest problem associated with representative money is Pg291

One of the biggest advantages of a mutual fund is that it Pg320  
One investment that is considered almost risk free is Pg328  
In general, investments with high rates of return Pg 328  
Which of the following is a stock index based on the stocks of 30 major companies? Pg334  
The market value of all final goods and services produced within a nation in a given time period is called Pg350  
The total amount of goods and services that households, businesses, government, and foreign purchasers will buy at each price level is called Pg360  
Measures of economic performance that usually change after real GDP changes are called Pg364  
During the 1970s, both unemployment and prices rose, creating Pg359  
Structural unemployment is often caused by Pg384  
A sustained rise in the level of prices or a sustained fall in the purchasing power of money is called Pg396  
A migrant farmer who is unemployed during the winter months is dealing with Pg384  
A rapid, uncontrolled price increase in excess of 50 percent per month is called Pg398  
With what kind of tax does the tax rate increase as income increases? Pg412  
What does the government use to try to influence economic behavior? Pg417  
What is the term used to describe the money taken out of a paycheck before the worker receives it? Pg421  
What payroll tax is taken out to cover Medicare and Social Security? Pg423  
Why is fiscal policy described as countercyclical? Pg451  
Which restates the spending multiplier effect? Pg455  
How did the Great Depression affect the thinking of John Maynard Keynes and other economists? Pg456  
If the government takes in more revenue than it spends, what is that called? Pg462  
The Fed provides banking services for Pg475  
The official paper currency of the United States is called a Pg483  
Expansionary monetary policy is sometimes called Pg492  
A debit card is linked to Pg309  
The idea that countries gain when they produce items they are most efficient at producing and are at the lowest opportunity cost is called the Pg514  
Any law passed to limit free trade between nations is called a trade Pg520  
A specific region in which trade between nations takes place without protective tariffs is called Pg532  
If Australia "pegged" its currency to the U.S. dollar, it would be using a Pg526  
What does per capita GDP measure? Pg546  
What is the most valuable asset for a nation to have in a market economy? Pg547  
Which problem concerning property ownership is common in many nations that were formerly western colonies? Pg555  
After Hong Kong was returned to China, Hong Kong's free-market economy was kept intact because Pg567

## **Part 2: Interpreting Graphs**

Using the exhibit, choose the letter of the best answer.

At what point does the supply curve begin? Ch5-6

At what point does the demand curve begin? Ch4,6

What is the point of market equilibrium? Ch6