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**Economics Unit Review Sheet**

Section 1-1 Satisfying Needs and Wants

* Example of a need
* Example of a want
* How is a want different from a need? (Think about the definitions of both)
* Three economic resources
* One example of **each** resource

Section 1-2 Economic Choices

* Basic economic problem
* Scarcity definition
* Opportunity cost definition

Section 1-3 Economic Systems

* Capitalism
* What are the four principles of the U.S. economic system

Section 1-4 Supply and Demand

* Definition of demand
* Definition of supply
* Graph & label demand curve, supply curve, and market price
* What happens to price when demand is greater than supply?
* What happens to price when supply is greater than demand?
* Explain how competition affects price

\*\*When given a scenario be ready to explain what happens to demand, supply, and price. *Ex. If the oranges crops in Florida are destroyed, what happens to demand, supply, and price?* ***Answer: If the orange crops in Florida are destroyed then the supply of oranges will drop. If there is low supply then demand is most likely greater than supply. This will cause the price of oranges to increase.***

Section 2-1 Measuring Economic Activity

* Definition of Gross Domestic Product (GDP)
* Describe the **four** components of GDP
* GDP Equation
* What does it mean if the U.S. GDP increases from year to year?
* GDP per capita (definition and how to calculate it)
* Labor force definition
* What is the definition of “unemployed”?
* Define unemployment rate
* Define productivity
* Explain the **three** waysthat productivity can be increased.
* What are the **three** sources of personal income?
* Why is personal income important?
* Define retail sales.
* Explain what each of the following says about our economy:
	+ Increasing/Decreasing GDP
	+ Increasing/Decreasing Unemployment rate
	+ Increasing/Decreasing Productivity
	+ Increasing/Decreasing Retail Sales

Section 2-2 Economic Conditions Change

* Define business cycle
* List the four phases of the business cycle
* Describe employment level, demand, supply (business production), GDP, and attitude for each of the 4 phases of the business cycle (refer to graphic organizer)
	+ Prosperity
	+ Recession
	+ Depression
	+ Recovery
* Define inflation
* Causes/types of inflation
* How does inflation affect consumers?
* How does inflation affect businesses?