

Economics Terms

1. economics	the <u>study</u> of how people get the things they need (like food, houses, clothes)
2. resources	<u>supplies</u>
3. human resources	<u>skills</u> workers use to make things; EXAMPLE: the education needed to be a doctor or car mechanic
4. capital resources	<u>tools</u> workers use to make things; EXAMPLE: hammer, tractor
5. natural resources	materials from <u>nature</u> used to make things; EXAMPLE: trees, water, oil
6. entrepreneurship	creating <u>businesses</u> ; Entrepreneurs create new things, come up with new ways to make things, or find new ways to get people to buy things (ex. I-Tunes, Facebook).
7. goods	<u>objects</u> people sell or buy; EXAMPLE: pencil, I-Pod, hamburger
8. services	<u>activities</u> people sell or buy; EXAMPLE: haircutting, car washing, babysitting
9. invest	to <u>buy</u> something so you can <u>make money</u> off of it <u>in the future</u>
10. gross domestic product (GDP)	the total <u>value</u> (\$) of all the things made in a country every year
11. GDP per capita	the <u>average amount of money</u> a person makes every year in a country
12. literacy rate	the amount of people who can <u>read and write</u> in a country
13. standard of living	<u>how much</u> stuff a person has (like food, clothing, and cars)
14. scarcity	when there <u>isn't enough</u> of something
15. producer	a person who <u>makes</u> things
16. consumer	a person who <u>buys</u> things
17. economic system	the way a country <u>uses it's supplies</u>

18. traditional economy	when <u>tradition</u> decides what a country will make, how they will make it, and who gets it; people do the same jobs and make the same things their ancestors did
19. command economy	when the <u>government</u> decides what a country will make, how they will make it, and who gets it
20. market economy	when <u>producers and consumers</u> decide what a country will make, how they will make it, and who gets it
21. mixed economy	when an economy <u>mixes</u> parts of command and market economies
22. specialization	when countries only make <u>certain things</u> (like cars or computers) and nothing else
23. import	goods brought <u>into</u> a country
24. export	goods <u>sold to</u> other countries
25. trade	to <u>swap</u> things with someone
26. voluntary trade	when people trade because they <u>both want</u> what the other person has
27. international trade	trading <u>between countries</u>
28. currency	the <u>money</u> that each country has; EXAMPLE: paper bills, coins
29. exchange rate	how much one country's <u>money is worth</u> compared to another country's; EXAMPLE: 12 Mexican Pesos = 1 U.S. dollar
30. trade barrier	<u>any action</u> a government uses to <u>control trade</u> between countries
31. tariff	an extra <u>price</u> added onto things bought from another country; EXAMPLE: adding \$2 to the price of shirts bought from China
32. quota	a <u>limit</u> on how much of something may be brought into a country; EXAMPLE: The U.S. only imports 5,000 computers from China each year
33. embargo	when a country <u>won't trade</u> with another country; may include using the military to keep people from trading
34. Organization of Petroleum Exporting Countries (OPEC)	It decides the <u>price and amount of oil</u> made each year in big oil countries like Iran, Iraq, Saudi Arabia, and Kuwait