

Economics Study Guide

Vocabulary:

People Word Bank:

consumer investor producer saver entrepreneur



1. _____ a person who supports a business by giving the owner money, and gets a share of the business's earnings
2. _____ a person who puts their money in a bank
3. _____ a person who makes a good or service
4. _____ a person who starts their own business
5. _____ a person who buys goods and services

Ideas Word Bank:

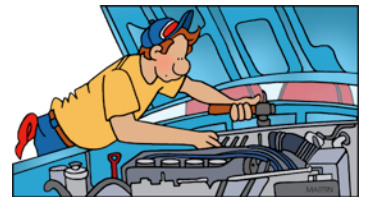
supply demand scarcity opportunity cost trade resources
market economy economic specialization goods services

1. _____ work (doing something for others) that is for sale
2. _____ making just one (or a very few) kind of goods/services
3. _____ materials, money, and workers that are available to make a product
4. _____ the number of items/services that people are willing and able to buy for that price
5. _____ what you must give up when you make a choice (your second-best option)
6. _____ exchanging something you have for something you want from another person
7. _____ the number of items/services that are available to sell at a certain price
8. _____ a system that allows individuals or businesses to sell goods and services to anyone who can afford to buy them
9. _____ items that are for sale
10. _____ when there is not enough of something to satisfy the wants of people

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Goods and Services:

Tell whether each of these shows a person providing a **good** or a **service**.



Circle the one, best answer to each question.

7. Which of these four provide only a **service**?

- a. Grocery Store
- b. Fire Fighter
- c. Factory Worker
- d. Farmer

8. Which two people each provide both a **good** and a **service**?

- a. Nurse and Chef
- b. Bus Driver and Police Officer
- c. Doctor and Baker
- d. Farmer and Construction Worker

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Complete the chart.

Person	What they provide for you	Is this a <i>good</i> or a <i>service</i> ?
Janitor Joe		
Nurse Nancy		
Farmer Francis		

Economic Wants, Choices, and Opportunity Cost:

Read each of the scenarios carefully. Identify the opportunity cost in the situation.

1. Larry the lumberjack is looking for a new vehicle. He wants something that can haul lots of wood and can pull a heavy trailer. Larry test drives a large pick-up truck, a small sports car, and a strong SUV.

a. Which vehicle should Larry choose? _____

b. What would be his opportunity cost? _____

2. You are going to a friend's birthday party. You have only \$15 to spend on a gift. Circle the item or items you would buy for your friend.

Lego set for \$15

Bracelet-making kit for \$10

Fishing pole for \$10

Fishing bait and box for \$5

Shirt for their favorite team for \$15

Hair accessories for \$5

Basketball for \$10

Nonfiction book for \$10

Soccer ball for \$10

DQ ice cream gift card for \$5

Painting and Drawing set for \$15

Fiction book for \$10

Waterballoons for \$5

Frisbee for \$5

Flashlight for \$5

Your friend's name: _____

Total cost of the gift(s) you bought: _____

What was your opportunity cost? _____

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Entrepreneurship and Employment:

Fill in the blanks to give an example of someone you know, or have seen on TV, who is an **entrepreneur**.

Name: _____

What this person does: _____

Why do you say that this person is an entrepreneur? _____

Complete the chart with at least ONE detail in each section.

Person	Responsibilities	Rights
Employer		
Employee		

Think about the process of making juice. Complete the chart with at least ONE detail in each section.

Natural Resource	Capital Resource	Human Resource

Spending, Saving, and Borrowing:

Write complete sentences to answer each question.

1. Give an example of a time that you were a saver. _____

2. Give an example of a time that you were a borrower. _____

3. Give an example of a time that you were a consumer. _____
