Fundamentals vocabulary list

Basic Economic Concepts

1. What is Economics-
2. Scarcity
   1. allocation
3. Three basic questions when dealing with scarcity

a.

b.

c.

1. TINSTAAFL
2. Opportunity cost
   1. Examples:
3. Trade=offs
4. Goods vs. Service
   1. Consumer goods
   2. Capital goods
5. Factors of Production (Productive Resources)

a. Land

b. Labor

c. Capital

d. Entrepreneurship

-Technology

10. Human capital

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Incentives

11. Consumption-

-needs vs. wants

-conspicuous consumption

12) Production

a. productivity

b. division of labor

- assembly line

c. Specialization

13. Production Possibility Curve

a. producing inefficient points

b. producing unattainable points

c. opportunity costs on the PPC

d. Trade=offs

e. economic growth

f. what causes the shift of the PPC?

14. Marginal Cost vs. Marginal Benefits

15. Rational Decision Making

**Economic Systems**

1. Traditional Economy
   1. Advantages
   2. Disadvantages
2. Command Economy
   1. Advantages-
   2. Disadvantages=
3. Market Economy-
   1. Advantages-
   2. Disadvantages-

* Laissez- Faire ( Hands-off)

1. Mixed Market Economy-
2. Capitalism/Free Enterprise
3. Consumer Sovereignty
4. Basic Elements of Free Enterprise
   1. Economic Freedom
   2. Voluntary Exchange
   3. Private property rights
   4. Profit Motive
   5. Competition
5. Economic and Social Goals
   1. Economic Freedom
   2. Economic Efficiency
   3. Economic Equity
   4. Economic Security
   5. Economic Growth
   6. Full Employment
   7. Price Stability
6. Role of the Entrepreneur=
7. Role of the Consumer-
8. Role of the Government-

* Govt. regulations
* Govt. deregulations
* Public goods vs. private goods

1. Externalities
   1. Positive externalities
      1. Examples:
   2. Negative externalities
      1. Examples:
2. Circular Flow Diagram
3. Prices as Signals