

## **Final Review Packet**

**Final Dates:** Wednesday, June 5, 2013 and Thursday, June 6, 2013

**Final Review Packet Due Date:** Thursday, June 6, 2013

There may be information on the final that is not in this packet. This review packet is meant to serve as a study tool based on information that *may* appear on your final.

Information from each of the following units will appear on your final:

*Unit 1 - Fundamentals of Economics*

*Unit 4 - Investment*

*Unit 2 - Supply and Demand*

*Unit 5 - Macroeconomics*

*Unit 3 - Businesses*

*Unit 6 - On Your Own*

Past presentations, notes, worksheets, etc. are available on my website: [www.mrstoxqui-economics.weebly.com](http://www.mrstoxqui-economics.weebly.com).

**Directions:** Please answer the following questions using additional pieces of paper as needed.

1) What are the THREE fundamental questions of economics?

- 1.
- 2.
- 3.

2) A) What is the biggest challenge of economics? B) Why does this challenge exist?

- A)
- B)

3) What is economics?

4) Who answers the three fundamental economic questions in a:

1. Traditional Economy:
2. Command Economy:
3. Market Economy:
4. Mixed Economy:

5) Define and explain TINSTAAFL.

6) Explain the difference between a want and a need. Give an example.

7) A) What two things are needed to make something valuable? B) What is the paradox of value?

- A)
- B)

8) Describe the circular flow of the economy.

9) List the five factors of production and an example for each.

- 1)
- 2)
- 3)
- 4)
- 5)

10) How does the profit motive and competition work together to benefit consumers?

- 11) Define/describe A) opportunity cost, B) opportunity benefit, and C) trade offs
  - A)
  - B)
  - C)
12. Sketch a production possibilities curve. What does a PPC graph look at?
- 13) What is the definition of demand?
- 14) What THREE THINGS make demand slope downward?
  - 1)
  - 2)
  - 3)
- 15) What is the Law of Demand?
- 16) What is the definition of supply?
- 17) What is the Law of Supply?
- 18) What is a shortage? What is the easiest way to eliminate a shortage?
- 19) What is a surplus? What is the easiest way to eliminate a surplus?
- 20) What is a price floor? Where would an effective price floor be on a supply and demand graph?
- 21) What is a price ceiling? Where would an effective price ceiling be on a supply and demand graph?
- 22) Sketch a supply and demand graph. Label the equilibrium price and quantity ("X" marks the spot) (*Hint: You'll need to understand shifts in supply and demand, determinants of supply and demand, etc. on the final.*)
- 24) What does elasticity measure? (*Hint: You'll need to know elastic and inelastic demand and elastic, inelastic, and perfectly inelastic supply on the final.*)
- 25) Describe the characteristics of: A) sole proprietorship, B) partnership, and C) corporation.

A)

B)

C)

26) Define: A) marginal cost, B) marginal revenue, and C) marginal profit.

A)

B)

C)

27) Describe the characteristics of: A) perfect competition, B) monopolistic competition, C) oligopoly, and D) monopoly.

A)

B)

C)

D)

28) What is an example of non-price competition? Which market structure uses this (*Hint: Market Structures are the things listed in Question #27*)?

29) What is collusion? What market structure uses this? Are they allowed to collude?

30) List the three types of monopolies.

1)

2)

3)

31) What does KISS mean?

32) What is the difference between an IRA and a Roth IRA?

33) What is a stock?

34) What is a mutual fund?

35) What is a 401(k)?

36) How does the Circular Flow of Funds work? (*Hint: Use the bank as the financial intermediary*)

37) What is a financial asset? Give some examples of financial assets.

38) What is a bear market? What is a bull market?

39) List the five types of unemployment and an example of each.

- 1)
- 2)
- 3)
- 4)
- 5)

40) What is the equation for calculating unemployment?

41) What is underemployment?

42) A) What is GDP? B) What does GDP measure? C) What is the equation for calculating GDP?

- A)
- B)
- C)

43) What is inflation?

44) What is the consumer price index?

45) What is the market basket?

46) What are some of the actions of labor unions?

47) What is collective bargaining?

48) List different steps labor unions and management use if collective bargaining doesn't work.

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|----|----|
| 1) | 4) |
| 2) | 5) |
| 3) | 6) |

49) What is a premium?

50) What is a deductible?