

Name:

## FINAL EXAM REVIEW PAGE 1

- \_\_\_\_\_ 1. characteristic of wants (limited/unlimited?)  
\_\_\_\_\_ 2. characteristic of resources (limited/unlimited?)  
\_\_\_\_\_ 3. the basic economic problem

**Identify the four factors of production defined below:**

- \_\_\_\_\_ 4. natural resources/raw materials  
\_\_\_\_\_ 5. machinery/equipment/the factory  
\_\_\_\_\_ 6. human resource: mental and physical efforts  
\_\_\_\_\_ 7. human resource: initiative; risk taking; more important in **capitalism** than in any other type of economic system

**Identify the three basic economic systems as defined below:**

- \_\_\_\_\_ 8. decisions (what, how, for whom) are made through the interactions of **individual buyers and sellers** (supply and demand) in the marketplace)  
\_\_\_\_\_ 9. decisions (what, how, for whom) are made by **government**  
\_\_\_\_\_ 10. economic decisions (what, how, for whom) are determined on the basis of **custom** - what has always been produced  
\_\_\_\_\_ 11. type of economy that mixes command (government) and market (free enterprise)

**List the three basic economic questions:**

- \_\_\_\_\_ 12.  
\_\_\_\_\_ 13.  
\_\_\_\_\_ 14.

**production possibilities curves:**

- \_\_\_\_\_ 15. a point on the curve represents (full or less than full?) use of resources  
\_\_\_\_\_ 16. a point under the curve represents (full or less than full?) use of resources  
\_\_\_\_\_ 17. a point outside the curve is (possible or impossible?) given resources  
\_\_\_\_\_ 18. movement along a PPC curve results in a \_\_\_\_\_?  
\_\_\_\_\_ 19. to get something, one must give up something (identify term)

**Identify the four phases of the business cycle described below:**

- \_\_\_\_\_ 20. high point in economic activity (maximum employment and production; **increase in price level**)  
\_\_\_\_\_ 21. increasing AD, decreasing unemployment, increase in store orders, etc.  
\_\_\_\_\_ 22. rising unemployment; decreasing production; decreasing AD  
\_\_\_\_\_ 23. lowest level of economic activity  
\_\_\_\_\_ 24. problem associated with peak phase of business cycle

**types of unemployment:**

- \_\_\_\_\_ 25. in between; first time job seekers; quit job to find better one  
\_\_\_\_\_ 26. caused by change in demand for products/skills of workers; foreign competition; or automation  
\_\_\_\_\_ 27. caused by too little AD in the economy; recession; GDP gap