

Name:

FINAL EXAM REVIEW PAGE 3

Characteristics of capitalism:

- _____ 46. freedom of economic choice
- _____ 47. individual ownership of property resources
- _____ 48. self-interest guides economic decision making (i.e. desire for profit)
- _____ 49. economic rivalry
- _____ 50. role of government in capitalism (stay out!)

Identify the terms defined/explained below:

- _____ 51. means government should "let do" - stay out of the economy
- _____ 52. modern economic theory based on a market economic system; also called free enterprise system
- _____ 53. economic model that illustrates the exchanges taking place between consumer households and business firms within the markets (resource and product) of the economy
- _____ 54. market in the circular flow model (CFM) in which resources (L, L, C, E) are provided by consumers and purchased by business firms with a payment of rent, wages, interest, and profit
- _____ 55. market in the CFM in which goods and services are sold by business firms and purchased by consumers
- _____ 56. income earned for labor
- _____ 57. income earned for capital
- _____ 58. income earned for land
- _____ 59. income earned for entrepreneurship
- _____ 60. part of economics that studies the economy as a whole (macro or micro?)
- _____ 61. part of economics that studies the individual parts of the economy
- _____ 62. the sum of the # of employed + # of unemployed
- _____ 63. = (the # of unemployed/the labor force) X 100
- _____ 64. = direct cost (tuition, etc.) of going to college + the work given up