

Name:

FINAL EXAM REVIEW PAGE 4

Identify the term defined or explained below:

- _____ 65. total responsibility for business debts; disadvantage of sole proprietorship and partnership
- _____ 66. type of production cost (i.e., cost of pollution) that must be paid by society if government does not regulate business
- _____ 67. a gap between potential output and actual output; develops during a recession when cyclical unemployment is occurring

Identify economic goals:

- _____ 68. freedom of economic choice/decision making
- _____ 69. getting the most of scarce resources through competitive markets
- _____ 70. fairness in economic decision making
- _____ 71. 94-95% of labor force employed
- _____ 72. increases in GDP; increase in productive potential
- _____ 73. cushion against economic risk (social security)
- _____ 74. absence of serious inflation or deflation

75. Government policies

expansionary policy: fight _____	contractionary policy: fight _____
monetary policy (FED): _____ MS (money supply)	monetary policy (FED): _____ MS (money supply)
_____ reserve requirement; _____ discount rate _____ securities	_____ reserve requirement; _____ discount rate _____ securities
fiscal policy (Congress/President)	fiscal policy (Congress/President)
_____ government spending _____ taxes	_____ government spending _____ taxes