

Cycle One Supplemental

Name: _____

Period: _____

Write the correct answers on a separate sheet.

- ✓ FAIR: In regard to the law, it must apply equally to all without favor.
- ✓ PERSONAL VALUE: Subjective, unseen, and in the mind.
- ✓ PRIVILEGE: Literally, a 'private-law' that confers special advantages on some at the expense of others.
- ✓ SUBJECTIVE: In the mind. A personal value.
- ✓ GROWING & MAKING: The second stage of production, but it does not involve trade.
- ✓ EXCHANGE OR TRADE: the highest stage of production. Trade is synonymous with civilization.
- ✓ ADAPTING: The most primitive stage of production means taking from nature for immediate consumption.
- ✓ LAW: A formal rule. To be respected and followed it must be sensible and fair.
- ✓ NATURAL LAW: A consequence that always repeats itself; a recognition of experience.
- ✓ MARKET: A place where exchange occurs.
- ✓ OBJECTIVE: An observed or measurable phenomenon. We can see a market value, but not a personal one.
- ✓ EXPLICIT CONTRACT: Written.
- ✓ IMPLICIT CONTRACT: Acknowledged or understood.
- ✓ DISCRIMINATION: A reasonable judgment.
- ✓ SEQUENCE: An event which follows another but not caused by the former.
- ✓ SURVIVAL: The basic human desire.
- ✓ PROPERTY: "Individual man's life and all non-procreative derivatives of his life."(A.J. Galambos)
- ✓ PREJUDICE: An unreasonable judgement.
- ✓ UNFAIR: Not just. Not applicable to all; privileged.
- ✓ CONSEQUENCE: An event which follows another caused by the first.
- ✓ VALUE: Worth, preference.
- ✓ INCOME: Revenue or return.
- ✓ PRICE STABILITY: Prices that don't fluctuate much.
- ✓ COMMUNISM (A.K.A. 'AUTHORITARIAN SOCIALISM'): Complete government control without private property.
- ✓ SOCIALISM (A.K.A. 'DEMOCRATIC SOCIALISM'): Highly regulated by government with limited property rights.
- ✓ 'FULL' EMPLOYMENT: Relatively low unemployment of 3-5%.
- ✓ STANDARD OF LIVING: A measurement of material well-being, or how much one consumes over a period of time.
- ✓ COMPETITION: In Economics, non-violent rivalry in pursuit of customers.
- ✓ SELF-INTEREST: Pursuit of value. Adam Smith said this was good for society, obviously when tempered by law.
- ✓ TRADITIONAL ECONOMY: A system in which people mostly follow in the footsteps in their parents.
- ✓ MARKET ECONOMY: A system based on the rule of law and unhampered exchange.
- ✓ FREE ENTERPRISE: A market economy.
- ✓ INCENTIVE: A reason for doing something.
- ✓ FREEDOM: According to A.J. Galambos, "Freedom is the societal condition that exists when every individual has full control over his own property." This condition does not exist, at present.
- ✓ COMMAND ECONOMY: Controlled or highly regulated by politicians. This operates under privilege.
- ✓ THE WEALTH OF NATIONS: An Inquiry into the Nature and Causes of the Wealth of Nations, by Adam Smith (1776).
- ✓ CAPITALISM: Free enterprise; a free market economy; Property rights; rule of law; laissez-faire.
- ✓ DIVISION OF LABOR: Workers are given fewer tasks to complete a product. It leads to specialization.
- ✓ SPECIALIZATION: Focus on a particular task.
- ✓ PRODUCTIVITY: The level of output that results from a given level of input.
- ✓ BARTER: Trade without money.
- ✓ PRODUCTION POSSIBILITIES CURVE: A graphical illustration of production trade-offs.
- ✓ CREDIT: Consumption with a promise to repay later.
- ✓ OPPORTUNITY COST: The value lost of the next best alternative not chosen.

- ✓ ALLOCATE: To distribute or divide up resources.
- ✓ INTERDEPENDENCE: Cooperation; mutual reliance.
- ✓ EFFICIENCY: Production of goods using a minimum of resources.
- ✓ CAPITAL: Products in production.
- ✓ MONEY: A standardized or accepted medium of exchange.
- ✓ ECONOMICS: "Economics is the study of the use of scarce resources that have alternative uses" (Thomas Sowell).
- ✓ TRADE-OFF: Choosing, or sacrificing one value for another.
- ✓ MACROECONOMICS: The study of the economy as a whole, such as total production.
- ✓ MICROECONOMICS: A close-up of some aspect of the economy, such as individuals, households, or businesses.
- ✓ PRODUCER: Someone engaged in bringing forth an actual product to a consumer.
- ✓ SCARCITY: The basic economic problem resulting from unlimited desires and limited resources; whatever is not free is scarce.
- ✓ SERVICE: An occupation which cares for or maintains that which has been made, or satisfies some non-material desires.
- ✓ SELF-SUFFICIENCY: Without assistance.
- ✓ TECHNOLOGY: Scientific knowledge used to make useful devices.
- ✓ ENTREPRENEUR: Someone who starts a new business, risking loss for financial gain; skilled labor.
- ✓ UTILITY: Usefulness, or Personal Value.

1. The operating system of a market economy is ____.
2. Andrew J. Galambos defined ____ as "Individual man's life and all non-procreative derivatives of his life."
3. A ____ occurs when one event follows another and the second is the result of the first.
4. A ____ occurs when one event follows another where the second has no relationship to the first.
5. The operating system of a command economy is ____.
6. A ____ is a consequence that always repeats itself.
7. A ____ law means it applies equally to all.
8. A voluntary transaction not formally written but specifically understood is an ____.
9. A written contract is an ____.
10. ____ refers to a "private law" that benefits some people at the expense of others.
11. Under ____ the state seizes or socializes all property, controlling all Factors of Production.
12. ____, capitalism, laissez-faire, and a market economy are often used synonymously.
13. A widely recognized feature of a free market economy is ____ between businesses.
14. Another word for revenue or money received is ____.
15. Another term for a very low level of unemployment is ____.
16. When prices remain constant we say there is ____.
17. The ____ is measured by how much one is able to consume over a period of time. This would also occur if one got a greater return for the same or less exertion over a certain period of time. (This would mean one could consume more for less.)
18. Someone whose occupation involves the sale of actual products is a ____.
19. Someone who performs a ____ provides some non-material satisfaction.
20. ____ is the application of scientific knowledge to make useful devices.
21. Someone who starts a business is an ____.
22. ____ studies the economy a whole.
23. ____ "is the study of the use of scarce resources that have alternative uses" (Thomas Sowell).
24. ____ is a Classical Factor of Production.
25. ____ is said to be the basic economic problem.
26. ____ refers to things that are not free. We have unlimited desires, but limited resources.
27. Scarcity means we must ____ our available resources to get the most out of what we have.