

Economics Study Guide

Test Date: _____

- **What is a good?** Something you buy to use, keep, or eat
- **What are some examples of goods?** food, school supplies, toys, clothes, computer
- **What is a service?** Work that someone does for you
- **What are some examples of services?** The dentist cleaning your teeth, the doctor giving you a checkup, getting your haircut, someone mowing your grass
- **What is a producer?** Someone who makes or grows things to sell
- **What are some examples of producers?** A farmer who grows vegetables to sell, a baker who makes bread to sell, a person who builds houses to sell
- **What is a consumer?** A person who buys goods or services
- **What are some examples of a consumer?** A mother goes to the grocery store to buy some food, the child buys something at the school store, the family buys a house to live in
- **What is bartering?** Trading for goods and services; money is not used
- **What does scarcity mean?** Not having enough of something for everyone
- **What happens to the price when a good is scarce?** The price will go up
- **What does supply mean?** The amount of goods or services there is to buy
- **What does demand mean?** How many people want the good or service
- **What happens to the price of a good if the demand is high - a lot of people want the good?** The price will go up
- **What is opportunity cost?** We make choices when we buy goods and services. The choice we do not pick is our opportunity cost
- **What is a budget?** The plan you have for saving and spending your money
- **What is a savings?** Money you save for the future
- **What should you spend your money on first - wants or needs?** Buy what you need first; then you can buy what you want
- **How are most goods and services allocated - how do you get them?** Price - how much the good or service costs
- **What are some other ways goods or services are allocated?** Lottery-name being drawn, first come/first serve, majority rule-most people want it, winning the contest, sharing

*This study guide is a great tool to study with your child. Also, reviewing the resources on the Social Studies website will help prepare your child for the test. The test will spiral a few questions from previous units to ensure mastery of the standards. Therefore, quickly reviewing those units will be helpful as well. Our goal for your child is to maintain the information instead of just learning it for the unit's assessment! Thank you for your support at home!!!

