

Economics Final Exam Study Guide

-understand and be able to **explain** the following concepts as they pertain to the Market Economic system

Principles of Economics

Studies of Economics

- Microeconomics
- Macroeconomics
- Keynesians Economics

Adam Smith

- *Wealth of Nations*

Types of Economic Systems

- Market Economy
- Command
- Traditional

Scarcity****

- Impact it has on economics

Goods

- Types of goods
 - o Complimentary
 - o Substitute
 - o Normal
 - o Inferior
 - o Luxury

Services

Wants vs. Needs

- Differences

Competition

- What is it?
- How does it impact market system

Laissez Faire Economics

- Principles of

Monopolies

- What are they? And why are they bad?

Microeconomics

Prices

- Advantages of

Labor

- Types of Labor
- What is wage discrimination

Supply and demand

- Demand Graphs
 - o What they show
 - o How/why they shift
- Supply Graphs
 - o What they show
 - o How/why they shift

Equilibrium

- Importance of

Competition

- What you need for perfect competition

Macroeconomics

For each of the following economic measures be able to explain how they are figured, and how they can be used to help calculate a country's economic health

- GDP
- GDP Per Capita
- Inflation %
- Unemployment Rate

Banking

- Types of commercial banks
- The Federal Reserve
 - o What does it do?

Importance of consumer confidence

International Economics

Trade

- Barriers
- Benefits

World Trade Organization

- Functions of

International Monetary Fund

- Functions of

World Bank

- Functions of