

Economics!!!

Consumer:	A person who buys a good or service
Producer:	A person who creates goods or services
Goods:	Something that you can use or consume, like food or books. You buy a good with the idea that you will use it, either just once or over and over again
Services:	Something that someone does for you, like give you a haircut, fix you dinner, or teach you!
Supply:	The amount of a good or service that is available for use
Demand:	The desire for a certain good or service
Natural Resources:	Naturally occurring materials such as coal, fertile land, and water that can be used by man
Limited (Nonrenewable) vs. Unlimited (Renewable) Resources:	Nonrenewable/Limited: Natural resources that cannot be replaced once they are used up: (Oil, Coal, Gas, Uranium) Unlimited (Renewable): Resources that can be replaced as they are used up: (Soil, Air, Water, Wood, Sunlight_
Capital:	Goods made by people and used to produce other goods and services (machines and factories)
Human Capital:	The quantity and quality of human effort directed toward producing goods and services (labor)
Scarcity:	Resources are limited, so people cannot have all the goods and services they want Limited Resources + Unlimited Wants = Scarcity
Specialization:	When several or many people work together to produce things, and each person focuses (specializes) on only part of the production—the part that each person has the most skill to complete
Command Economy:	Government decides what is produced, who receives goods and services, and how things are produced Examples: North Korea and Cuba are close to pure command economies
Market Economy:	Consumers and producers determine what's produced, who receives goods/services, and how things are produced (supply & demand) Also called "capitalism" or "free market" Encourages entrepreneurs (creators of new businesses)
Traditional Economy:	Economic decisions are based on a country's or society's customs and habits Old ways of doing things—hunting or farming Not common

Mixed Economy:	When a country combines elements of market and command systems (and sometimes traditional elements as well) *Most societies fall under this category, including ours!
Gross Domestic Product (GDP):	Total value of all goods and services produced in a country in a year Investment in human capital and capital goods usually leads to increased GDP
Entrepreneur:	A person who combines resources to create new businesses Entrepreneurs + land, labor, and capital = goods and services
Trade:	the exchange of goods and services in a market (Domestic—traders inside same country; international—exports and imports)
Exports	Goods produced within one country and sold outside of the country
Imports	Goods/services sold in a country but produced in other countries
Currency	Money
Tariff:	A tax on imports or exports
Quota:	A restriction or limit on the amount of a good that can be imported (set by the government)
Embargo:	A government ban on certain imports for political or economic reasons