

# Wants



Things people like and desire.



# Needs





# Scarcity





# Choice



To make a decision.



# Goods



Things that can satisfy  
people's wants.



# Services



Activities that can satisfy  
people's wants.



# Resources



Things used to make goods  
and services.



# Barter



To trade goods and services  
without using money.



# Money



A good used to buy other goods and services.



# Earn



To receive money for  
doing work.



# Spend



To use money to buy goods  
and services.



Save



To keep money to spend later.



# Oppportunity Cost





# Natural Resources



Gifts of nature used to make  
goods and services.



# Human Resources



Workers who make goods  
and provide services.



# Capital Resources



Goods made and used to  
produce other goods  
and services.



# Currency



Paper money that is used  
by a country.



# Price



The amount that people pay when they buy a good or service.



# Income



Amount of money you  
earn or receive from  
different sources.



# Bank



A business that provides money services, such as cashing checks, making loans, and paying interest on accounts.



# Account



A record of money deposited  
or withdrawn from a bank.



# Deposit



Money put into a bank account.



# Withdrawal



Money taken out of a  
bank account.



# Interest



Payments made for the  
use of money.



# Incentive



Something that influences the  
behavior of people.



# Consumers



People who buy and/or  
use goods and services  
to satisfy wants.



# Producers



People who use resources to  
make goods and services.



# Employment



An occupation by which a person earns a living.



# Specialization



When people produce only some of the goods and services they consume, then trade with others to get more of the things they want.



# Division of Labor



When workers perform part of  
a production task.





The study of the production,  
consumption and distribution  
of goods and services.



# Public Goods



Goods and services that are provided by the government.



# Markets





# Trade-offs



When you choose to get less of one thing in order to get more of something else.



# Costs/Benefits



The bad and good points  
related to making a decision.



# Entrepreneur



Someone who takes the risk  
of producing a product or  
starting a new business.



# Profit



The money a business makes  
after it pays its production costs.



# Loss



The money a business loses after  
it pays its production costs.



# Imports



The goods and services that consumers in one nation buy from sellers in other nations.



# Exports



The goods and services that producers in one nation sell to buyers in other nations.



# Interdependent



When people and nations  
depend on one another  
for the goods and services  
they want.



# Budget



A plan showing how income  
is to be spent.



# Credit



Promise of payment at a future time in return for goods/services now.



# Debit



Money owed on an account.



# Invest



To use money to gain profit.



# Taxes



Required payments of money made to governments by people and businesses that are used to provide goods and services.



# Federal Reserve Bank



The central banking organization  
in the United States.



# Supply



The amount that producers are able and willing to produce and sell at all possible prices at a given time.



# Demand



The amount that consumers are able and willing to buy at all possible prices at a given time.



# Competition



Methods used by businesses  
to gain more customers and  
earn higher profits.



# Shortage



Having fewer goods,  
services or resources  
available than you want.



# Surplus



Having more goods,  
services or resources  
available than you want.



# Finance



The management of money.



# Circular Flow



A model of an economy showing the interactions between households and businesses as they exchange goods, services and resources in markets.



# Exchange Rate



Ratio at which a unit of currency of one country can be exchanged for that of another country.



# Standard of Living



A level of material comfort in everyday life that is measured by the goods and services available to an individual, group, or nation.



# Economic Systems



The way a society organizes  
the production, consumption  
and distribution of goods  
and services.

