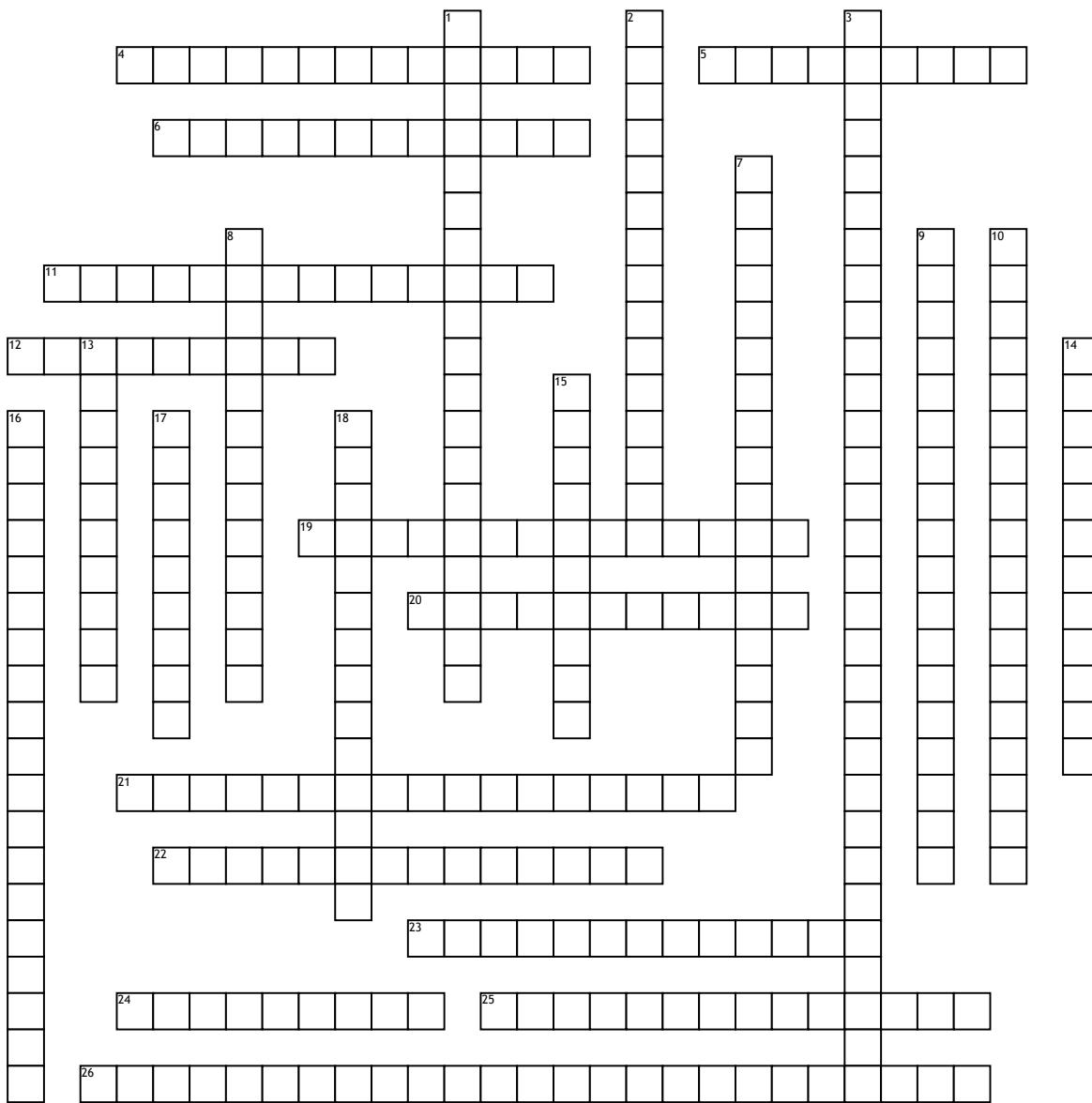


Name: _____

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Economics Chapter 2 Vocabulary Part 1



Across

4. requiring strict obedience to an authority, such as a dictator
5. to sell state-run firms to individuals
6. an economic system that mixes central planning with competitive markets
11. an economic system characterized by private or corporate ownership of capital goods; investments that are determined by private decision rather than by state control; and determined in a free market
12. an expectation that encourages people to behave in a certain way
19. the set of mechanisms and institutions that resolves the what, how, and for whom questions for an economy
20. the struggle among producers for the dollars of consumers
21. the ability to make something using fewer resources than other producers require
22. the laws, customs, manners, conventions, and other institutional underpinnings that encourage people to pursue productive activity
23. describes the U.S. economic system, where markets play a relatively large role

Down

24. a social and political philosophy based on the belief that democratic means should be used to evenly distribute wealth throughout a society
25. an expansion of the economy's production possibilities, or ability to produce
26. the worker, firm, region, or country with the lowest opportunity cost of producing an output should specialize in that output
1. an economic system in the process of shifting from central planning to competitive markets
2. property owned by individuals or companies, not by the government or the people as a whole
3. each additional increment of one good requires the economy to give up successively larger increments of the other good
7. an economic system with no government so that private firms account for all production
8. term economists use to describe the self-regulating nature of the marketplace
9. an economic system in which all resources are government-owned and all production is directed by the central plans of government
10. an economic system shaped largely by custom or religion production possibilities frontier- shows the possible combinations of two types of goods that can be produced when available resources are employed efficiently
13. large farm leased from the state to groups of peasant farmers
14. the doctrine that states that government generally should not intervene in the marketplace "let them do as they please"
15. producing the maximum possible output from available resources, meaning the economy cannot produce more of one good without producing less of the other good
16. the powers of the consumers to decide what gets produced
17. a political system characterized by a centrally planned economy with all economic and political power resting in the hands of the central government
18. occurs when individual workers focus on single tasks, enabling each worker to become more efficient and productive