

Economics Fill-in Notes (Blank)

Instructions: Fill in the blanks with the appropriate words or phrases.

1. Economics is the study of how individuals and societies allocate _____ resources to satisfy their unlimited wants and needs.

Answer: scarce

2. The three basic economic questions are: What to produce? How to produce? For whom to produce?

Answer: True

3. The _____ is the amount of a good or service that consumers are willing and able to buy at a given price.

Answer: quantity demanded

4. The _____ is the amount of a good or service that producers are willing and able to sell at a given price.

Answer: quantity supplied

5. The _____ is the price at which the quantity demanded and the quantity supplied are equal.

Answer: equilibrium price

6. The _____ is the maximum price that can be legally charged for a good or service.

Answer: price ceiling

7. The _____ is the minimum price that must be paid for a good or service.

Answer: price floor

8. A _____ is a market structure in which there is only one seller of a good or service.

Answer: monopoly

9. _____ is the increase in the overall level of prices in the economy.

Answer: inflation

10. The _____ is the rate at which the economy's overall level of output and employment are growing.

Answer: economic growth

Give Short Answers

1. What is the difference between microeconomics and macroeconomics?

Microeconomics studies the behavior of individual agents, such as households and firms, while macroeconomics studies the economy as a whole, including issues such as inflation, unemployment, and economic growth.

2. What is opportunity cost?

Opportunity cost is the cost of an alternative that must be forgone in order to pursue a certain action. It is the value of the next best alternative that could have been chosen but was not.

3. What is the law of demand?

The law of demand states that, all else being equal, the quantity of a good or service demanded by buyers will decrease as the price of the good or service increases, and vice versa.

4. What is the law of supply?

The law of supply states that, all else being equal, the quantity of a good or service supplied by sellers will increase as the price of the good or service increases, and vice versa.

5. What is the difference between a shortage and a surplus?

A shortage occurs when the quantity demanded of a good or service exceeds the quantity supplied, while a surplus occurs when the quantity supplied of a good or service exceeds the quantity demanded.

6. What is the difference between a fixed cost and a variable cost?

A fixed cost is a cost that does not vary with the level of production, while a variable cost is a cost that varies with the level of production.

7. What is GDP?

GDP, or Gross Domestic Product, is the total value of all goods and services produced within a country in a given period of time, usually a year.

8. What is inflation?

Inflation is a sustained increase in the general price level of goods and services in an economy over a period of time.

9. What is the difference between fiscal policy and monetary policy?

Fiscal policy involves government spending and taxation decisions, while monetary policy involves decisions by a central bank about interest rates and the supply of money in an economy.

10. What is the difference between a trade deficit and a trade surplus?

A trade deficit occurs when a country imports more goods and services than it exports, while a trade surplus occurs when a country exports more goods and services than it imports.