**Economics 1st 9 week’s Note Packet**

**Unit 1**

**Scarcity and Economic Reasoning**

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| Key word | Information/Definition | Memory clue |
| Economics |  |  |
| Economy |  |  |
| Microeconomics |  |  |
| Macroeconomics |  |  |
| Economic model |  |  |
| Margin |  |  |
| Marginal benefit |  |  |
| Marginal cost |  |  |
| The Law of diminishing marginal utility |  |  |
| Marginal analysis |  |  |
| Goods |  |  |
| Services |  |  |
| Scarcity |  |  |
| Trade-off |  |  |
| Opportunity cost |  |  |

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| Production Possibilities Curve/Frontier |
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**Early Economic Views**

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| Economist | | Economic View | Claim to Fame |
| Adam Smith  Scotland  1723-1790 |  |  |  |
| Thomas Malthus  England  1766-1834 |  |  |  |
| David Ricardo  England  1772-1823 |  |  |  |
| Karl Marx  Germany  1818-1883 |  |  |  |

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| Factors of production |  |  |
| Land |  |  |
| Labor |  |  |
| Capital |  |  |

**Economic Systems**

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| **Economic System** |
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| **What 3 questions must every economy answer?** |
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|  | **Traditional Economy** |
| **What** |  |
| **How** |  |
| **Who** |  |
| **Example** |  |

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|  | **Command Economy** |
| **What** |  |
| **How** |  |
| **Who** |  |
| **Example** |  |

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|  | **Market Economy** |
| **What** |  |
| **How** |  |
| **Who** |  |
| **Example** |  |

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|  | **Mixed Economy** |
| **What** |  |
| **How** |  |
| **Who** |  |
| **Example** |  |

Goals of American Economic Policy

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| Goals | Definitions |
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| Private property |
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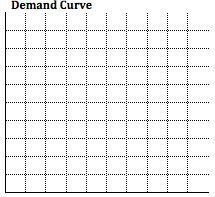
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| Why are private property rights important |
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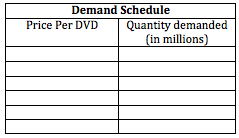
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| Who do private property laws protect, and from whom? |
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**Unit 2**

**Supply and Demand**

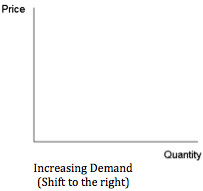
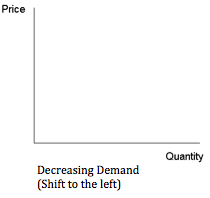
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| Key word | Information/Definition | Memory clue |
| Consumer Sovereignty |  |  |
| Demand |  |  |
| Individual demand |  |  |
| Market demand |  |  |
| Quantity demanded |  |  |
| Law of demand |  |  |
| Demand Schedule |  |  |
| Demand curve |  |  |





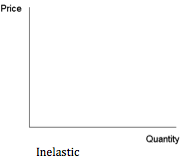
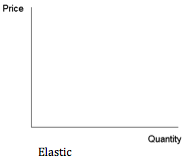
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| Demand shift |  |  |
| Real Income effect |  |  |
| Substitution effect |  |  |
| Complementary good |  |  |

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| **Determinants of Demand** | |
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| Determinant | How it affects demand |
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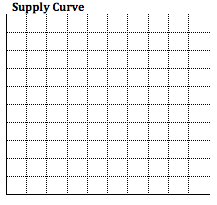


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| Elasticity |  |  |
| Elastic demand |  |  |
| Inelastic demand |  |  |

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| **Determinants of Elasticity** | |
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| Determinant | How it affects elasticity of demand |
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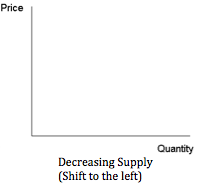
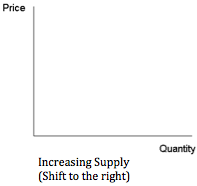


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| Supply |  |  |
| Quantity supplied |  |  |
| Law of supply |  |  |
| Supply curve |  |  |
| Law of diminishing returns |  |  |



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| **Supply Schedule** | |
| Price per DVD | Quantity Supplied in millions |
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| **Determinants of Supply** | |
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| Determinant | How it affects supply |
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| Equilibrium price |  |  |
| Price Ceiling |  |  |
| Shortage |  |  |
| Price floor |  |  |
| Surplus |  |  |

**Finding the equilibrium price, surplus, and shortage**

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**Unit 3**

**Business organization and market structures**

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| **Entrepreneurship** | |
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| **7 Traits of Entrepreneurs** | |
| **Tenacity** |  |
| **Passion** |  |
| **Tolerance of Ambiguity** |  |
| **Vision** |  |
| **Self-Belief** |  |
| **Flexibility** |  |
| **Rule-Breaking** |  |

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| **How Entrepreneurs Benefit the Economy** |
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| **Types of Entrepreneurs** | **What they do** |
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Business Organization

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| --- |
| Sole proprietorship |

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| Advantages | Disadvantages |
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| Partnership |

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| Advantages | | Disadvantages |
|  | |  |
| Various Partnerships | | |
| Partnership Type | Details | |
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| Franchise |

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| Advantages | Disadvantages |
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| Examples of a franchise |
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| Not examples of a franchise |
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Business Expansion and Financing

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| Revenues/Receipts |
| Profit |

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| Ways to Expand | |
| Retained earnings |  |
| Borrow |  |
| Sell stock |  |

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| Increasing productivity | |
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Marginal Analysis In Business Decisions

Marginal analysis for a poster shop when posters sell for $3 each and the going wage rate is $8 an hour.

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| --- | --- | --- | --- | --- | --- |
| # of Employees | Posters made per hour | Total revenue per hour | Supply cost per hour | Total labor cost per hour | Profit per hour |
| 1 | 8 | $24 | $8 | $8 | $8 |
| 2 | 17 | $51 | $17 | $16 | $18 |
| 3 | 26 | $78 | $26 | $24 | $28 |
| 4 | 33 | $99 | $33 | $32 | $34 |
| 5 | 38 | $113 | $38 | $40 | $35 |
| 6 | 41 | $123 | $41 | $48 | $34 |

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| Corporation |

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| --- | --- |
| Advantages | Disadvantages |
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| --- | --- |
| Corporate Charter | |
| Stock | |
| Common Stock | Preferred Stock |
| Share Holder | |
| Board of Directors | |

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| Merger | |
| Merger Type | How is it structured |
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| Labor | |
| Labor Unions |  |
| Collective Bargaining |  |
| Mediation |  |
| Arbitration |  |
| Strike |  |
| Picketing |  |
| Boycott |  |
| Lockout |  |
| Injunction |  |

**Market Structures**

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| Market Structure |  |

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| Perfect Competition | |
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| Characteristics of Perfect Competition | |
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| Monopoly | |
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| Characteristics of Monopolies | |
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| Types of Monopolies | | |
| Type | Definition | Examples |
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| Oligopoly | | |
|  | |  |
| Characteristics of Oligopolies | | |
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| Monopolistic Competition | | |
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| Characteristics of Monopolistic Competition | | |
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**Market Structure Table**

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|  | **Perfect Competition** | **Monopoly** | **Oligopoly** | **Monopolistic Competition** |
| **Number of firms** |  |  |  |  |
| **Variety of goods** |  |  |  |  |
| **Control over prices** |  |  |  |  |
| **Barriers to entry** |  |  |  |  |
| **examples** |  |  |  |  |