**What is Economics?**

1. Define economics
2. What is the fundamental economic problem?
3. Why do we have scarcity?
4. What are the three key economic questions? Expalin each one.
5. What forces us to make economic decisions?
6. What do economic decisions involve?
7. What is opportunity cost?
8. Define each of the following

Fixed cost-

Variable cost

Total cost

Marginal cost

1. What is marginal revenue?
2. When do you stop producing if you are looking at a cost benefit analysis?
3. What is a market economy?
4. Who makes the economic decisions in a market economy?
5. What is capitalism?
6. What is free enterprise?
7. What influences all economic behavior?
8. What are incentives?

What are the three roles of the government in the economy?

**The American Economy**

What are goods?

What are services?

Describe each factor of production

Natural Resources

Labor

Capital

Entrepreneurs

What are capital goods-?

What are consumer goods?

How do we measure the success of the economy?

What is the Gross Domestic Product (GDP)?

What is standard of living?

What is the drawback of using GDP to measure the economy?

What is a market?

Who are the economic decision makers in a market?

Where do consumers earn their income in the circular flow of economic activity?

Where is income spent?

What do businesses do with the money they earn?

Define factor markets-

Define product market-

What goods and services does the government produce?

How does the government raise most of their revenue?

What does it mean when the economy grows?

What does economic growth lead to?

How do economies try to increase productivity?

What is another cause in increased productivity?

Why does it increase productivity?

What is a form of specialization?

What is human capital?

What are some ways that companies invest in human capital?

What has specialization led to in the American economy?

Why do we have economic interdependence?