

Economics Final Review Guide

There will be two parts to the final exam. The first part of your final is 25 questions, testing your content knowledge of the key concepts from the economics course. The second part of the final is the reading skills portion of the final. This tests your ability to read, interpret, and answer 25 questions about economic information in the form of articles, graphs, charts, and infographics.

Unit: Introduction to Economics

- Definition of economics
- Scarcity
- Trade offs
- Opportunity Costs
- Factors of Production
- Land
- Labor
- Capital
- Entrepreneurship
- Traditional economic system
- Market Economy or capitalism
- Command economy or communism

Unit: Microeconomics

- Supply
- Law of supply
- Changes in price lead to changes in the quantity supplied

- Factors which change or shift the supply curve
- Demand
- Law of Demand
- Changes in price, leading to changes in the the quantity demanded
- Changes that lead to the change or shift in demand
- The determination of equilibrium price
- Draw a microeconomic graph and show how the supply and demand curves determine the price and quantity of a product

- Surplus
- Shortage
- Proprietorship
- Partnership
- Corporation
- Perfect Competition
- Monopolistic Competition
- Oligopoly
- Monopoly

Unit: Macroeconomics and Macroeconomic stabilization policies

- Gross Domestic Product
- Consumer Price Index
- Inflation
- Unemployment Rate
- Recession
- Expansion
- Peak
- Trough
- Labor Unions and collective bargaining
- The Dow Jones Industrial Average
- Federal Income Tax
- Social Security Tax
- Sales Tax
- Progressive tax policy
- Proportional tax Policy
- Regressive tax policy
- Annual deficit
- Government debt
- Fiscal Policy
- Expansionary Fiscal policy used during recession
- Contractionary Fiscal policy used during an expansion

- Monetary Policy
- Reserve Requirement
- Discount Rate
- Open Market Operations
- “Easy money policy” used during a recession
- “Tight money policy” used during an expansion

Unit: International Trade

- Exports
- Imports
- Trade deficit
- Trade surplus
- Tariffs
- Quotas

- The benefits of free trade

- Free Trade Agreements

- The reasons for protectionism

- The impact of tariffs and quotas on prices and quantities of foreign products

- Exchange rates