

Name: _____

Date: _____

Economics Overview

1. A surplus is when you have more revenue, or income, coming in than the expenses, or bills, that have to be paid.		
2. A deficit is when you have less revenue coming in than the expenses.		
3. One job of the federal government is to maintain a stable currency which is the U. S. dollar.		
4. Employees who are paid hourly wages are paid only for the number of hours they work.		
5. Employees who earn salaries receive the same pay all the time, although their hours of work for the week may fluctuate.		
6. The term “compensation” means only wages paid to an employee, not their benefits like insurance, sick leave, and disability income.		
7. A union is a group of employees that pay fees to belong to a group with a leader or leaders to represent them		
8. Capital is a term for things that can produce income such as money and equipment, but not land or buildings.		
9. Labor is the work of humans which transforms capital and materials into goods and services.		
10. Some business provide services and can include hotels, hair salons, nail salons, and taxis.		
11. Retail and wholesale markets bring goods directly to the consumer.		
12. In a free market economy, supply and demand usually determine the price of things.		
13. A monopoly is when a single company controls the market for that particular good or service.		
14. Inflation is when the price of goods and services increases faster than the purchasing power of the dollar.		
15. The Food and Drug Administration is responsible for protecting and promoting public health.		