**Goal 9 Vocabulary Review Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Per\_\_\_\_**

Match the term with the best description. Each group is independent and matches exactly.

**A) Peak B) Contraction C) Trough D) standard of living E) national debt F) deregulation G) Consumer Price Index H) expansion I) per capita GDP J)** **Gross Domestic Product**

\_\_\_1. the removal of some government controls over a market.

\_\_\_2. a nation’s gross domestic product divided by its total population.

\_\_\_3. all the money the federal government owes to bondholders.

\_\_\_4. the height of an economic expansion when real GDP stops rising, part of the Business Cycle

\_\_\_5. a level of economic prosperity.

\_\_\_6. a period of economic growth as measured by a rise in real GDP.

\_\_\_7. a price index determined by measuring the price of a standard group of goods meant to represent the typical “market basket” of a typical urban consumer.

\_\_\_8. a period of economic decline marked by falling real GDP.

\_\_\_9. the total value of all final goods and services produced in a particular economy; the dollar value of all goods and services produced within a country’s borders in a given year

\_\_\_10. the lowest point in an economic contraction, when real gross domestic product steps falling

**A) affirmative action B) migration C) immigration D) service industries E) Silicon Valley**

**F) Research Triangle Park G) Homeland Security Department H) Patriot Act**

\_\_\_ 1. companies/industries built around the process of providing a needed service to consumers. They exist on many different levels.

\_\_\_2. the movement of people within the borders of a country: the movement of workers from the north/northeast to the sunbelt states.

\_\_\_3. the newest major agency in the Executive Office of the President (EOP) created by President George W. Bush after the terrorist attack of Sept. 11, 2001. It is headed by a director that keeps the President fully aware of all ongoing efforts to protect this country against any and all acts of terrorism.

\_\_\_4. In California; home/the birthplace of most of the computer industries, programmers software…very high-tech. Enjoys a comparative advantage.

\_\_\_5. a policy that requires most employers take positive steps to remedy the effects of past discriminations in hiring practices, admissions, and advancement.

\_\_\_6. In N.C.; between Raleigh, Greensboro, and Chapel Hill. Very high-tech, think tanks tied into major research with UNC, Duke, NC State, and Wake Forest. (Comparative advantage)

\_\_\_7. the process…legal or illegal…by which people from other countries come into the U.S. A current hot-button issue.

\_\_\_ 8. Act passed by Congress following 9-11 that gives additional authority to government law enforcement in order to better combat terrorism

**A) out-sourcing B) tariffs C) exchange rate D) foreign trade E) multination corporation F) conglomerate**

**G) globalization H) European Union I) North American Free Trade Agreement (NAFTA)**

**J) World Trade Organization K) Favorable Balance of Trade L) Unfavorable Balance of Trade**

**M) Comparative Advantage**

\_\_\_1. to sell and buy goods with other nations: often countries face barrier such as, import quotas, voluntary export restraints, and tariffs.

\_\_\_2. the ability to produce a product most efficiently given all the other products that could be produced

\_\_\_3. a company moves part (or all) of its business out of the U.S. (or any country) in an attempt to save $$$ by significantly reducing labor costs OR a company contracts with other companies to make part of their overall product if they can make it cheaper.

\_\_\_4. a tax on imported goods, quite often to protect/lessen competition for that country’s industries.

\_\_\_5. Similar to a trade deficit. It occurs when a nation is importing more than it exports which results in a negative trade balance. The country then depends on foreign made products. Can cause the value of a country’s currency to fall. Can be corrected by limiting imports or increasing the number and/or quantity of exports. Requires international cooperation and fair trade.

\_\_\_6. business combinations merging more than three (3) businesses that make unrelated products. May be multi-national.

\_\_\_7. A regional trade organization made up of European nations. In this agreement, they abolish tariffs and trade restrictions among union members, and adopt uniform tariffs for non-member countries. All use the **euro** as currency.

\_\_\_8. the value of a foreign nation’s currency in terms of a home nation’s currency.

\_\_\_9. an agreement designed to eliminate all tariffs and other trade barriers between Canada, Mexico, and the United States. Still a hot-button issue.

\_\_\_10. Recent trends in the world economy include a shift from local to worldwide markets.

\_\_\_11. A balance of trade with imports/exports. A country is free from dependency on other nations for particular goods. Almost impossible in a global economy.

\_\_\_12. A worldwide organization whose goal is freer global trade and lower tariffs.

\_\_\_13. a large corporation that produces and sells its goods and services throughout the world

**A) child labor B) developed nations C) developing nations D) foreign aid E) World Bank**

**F) United Nations Development Program (UNDP) G) International Monetary Fund (IMF)**

**H) free trade zone I) monetary policy J) fiscal policy K) loose money policy L) tight money policy**

\_\_\_1. The largest provider of development assistance for developing nations. Offers loans, advice, and other resources to more than 100 developing nations.

\_\_\_2. A monetary policy that reduces the money supply. This would help curb inflation but may encourage over-borrowing and over-investment.

\_\_\_3. A hot button issue. Several countries/companies use children as workers to significantly lower labor costs. Many critics see this as slave labor due to the low salaries, long hours, unsafe working conditions and basically brand this as a human rights violation. Congress, in 1997, amended a 1930 trade law banning imports with child labor.

\_\_\_4. those countries showing improvement in the areas such as the health, education and productivity of its people

\_\_\_5. the use of government spending and revenue collection to influence the economy.

\_\_\_6. A country that is judged to have the ability to feed, clothe and shelter its people. Not a judgment of the worth of the country or its people but rather the health, education and productivity of the citizens.

\_\_\_7. a monetary policy that increases the money supply to lower interest rates, BUT it may encourage over-borrowing and over-investment.

\_\_\_8. $$$ given, loaned and/or other forms of aid intended to help the development of countries. May be given based on humanitarian concern, military reasons, political reasons, economic reasons, or cultural reasons.

\_\_\_9. the actions the Federal Reserve takes to influence the level of real GDP and the rate of inflation in the economy.

\_\_\_10. An international body that promotes development in order to eliminate poverty. They get $$$ by voluntary contributions of UN member states and agencies.

\_\_\_11. an agreement/region where a group of countries has agreed to reduce or eliminate trade barriers.

\_\_\_12. Originally developed to stabilize international exchange rates. Now offers policy advice and technical assistance to developing countries. Also, works with debt re-scheduling and stabilization programs for developing countries.

**A) reserve requirements B) discount rate C) interest rates D) revenue E) taxation**

**F) personal income tax G) Excise tax**

\_\_\_1. the rate the Federal Reserve charges for loans to commercial banks

\_\_\_2. income received by the government from taxes and non-tax resources

\_\_\_3. a tax on the production or sale of a good

\_\_\_4. the % a lending institution charges a consumer for using their money, OR the fee the bank pays a consumer for the money kept in an interest bearing account

\_\_\_5 the primary way a government collects taxes. Based on Article I, Sec 8, Clause 1 of the Constitution

\_\_\_6. this accounts for 49% of federal government revenues. It is a “pay-as-you-earn” system

\_\_\_7.a tool used by the Federal Reserve to adjust the amount of money in the economy.

**A) Regressive Tax B) Progressive Tax C) Sales Tax D) Scarcity E) Depression**

**F) Inflation G) Recession H) Bear Market I) Bull Market J) “NIMBY” K) OPEC oil embargo**

**L) Cuban Economic Embargo M) Zoning Laws/Building Codes**

\_\_\_1. a general increase in prices: the dollar doesn’t buy as much as it used to

\_\_\_2. the use of a “No Trade” policy by the United States to underline their response to this country’s relationship with the old Soviet Union

\_\_\_3. a tax on the dollar value of a good or service being sold

\_\_\_4. a steady drop in the stock market over a period of time. Investors sell stocks because they think they will continue to lose value

\_\_\_5. a tax for which the percentage of income paid in taxes increases as income increases

\_\_\_6. both concern public welfare and safety of the citizens. Government regulations that promote the quality of life for the citizens.

\_\_\_7. a flat tax that doesn’t change as a person’s income changes

\_\_\_8. when the stock market rises steadily over a period of time. Investors buy more, because they expect an increase in profits. 1980s-1990s represent the longest sustained example of this in U.S. history.

\_\_\_9. An especially long and severe recession. Features high unemployment and low factory output.

\_\_\_10. 1970s a cartel decided to stop selling oil to the U.S. This caused a type of “crisis” in that the demand remain the same while the supply decreased which caused the price to quadruple.

\_\_\_11. An attitude that has developed among American citizens. We all want/need more landfills, cheap electricity, more schools and etc. but we don’t want to pay for them or have them built at the end of our street. “Not In My Back Yard.”

\_\_\_12. a prolonged (6-18 months) economic contraction. GDP falls for at least two consecutive quarters with rising unemployment (6%-10%)

\_\_\_13. Limited quantities of resources to meet unlimited wants. Also applies to all of the spending programs different people/groups want from government. There are limited resources (funds) to support the programs.