**Review Sheet for test on economy and personal finance 9/2017**

A great way to study is to review your old homework and quizzes. Filling out this will also help you on the test. Please answer the following questions:

1. What are the 3 questions all economic systems ask?

2. Explain these economic systems:

a. traditional

 b. market

 c. mixed

 d. command

3. What is the relationship between producers and consumers in a traditional society?

 A market?

 A mixed?

 A command?

4.What type of economy do most countries have? Why?

 In which type of government is the development of business encouraged?

5.What is this thing below called? Why is it important?

Mixed

Command\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Market

6. Explain these 3 trade barriers. Give an example of each and when and why you would use it.

 Tariff

 Embargo

 quota

7.What is the relationship between human capital (education and training) and GDP?

8.What is the relationship between capital (factories and machines) and GDP?

9. Explain the difference between GDP and GDP per capita.

10. What is the difference between surplus and scarcity? Give examples.

11. How does human capital help your country?

12. How do natural resources help one’s economy?

13. Give some examples of natural resources

14. How does literacy rate effect standard of living?

15 .If you have a high literacy rate then you have a high

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16. What is an entrepreneurship?

17. Why is specialization important?

18. Why is free trade good?

**Personal Finance**

19. Explain the difference between spending and saving

20. What to budgets to? (Use 2 of the personal finance terms)

21. Why is buying on credit good? Give specific examples.

22. Why is buying on credit bad?

23. Everyone has expenses- what are they?

24. Define these terms:

 Income

Budget

Savings

Investing

debt