**Chapter 1**

**Economic Decisions and Systems**

1. Satisfying Needs and Wants
2. Needs and Wants
3. Needs –

a**.**

b.

 2. Wants –

 3.

 B. Goods and Services

 1. Goods –

 2. Services –

 C. Goods and Services for Businesses and Consumers

 1.

 2.

 D. The U.S. Economy

 1.

 2.

 E. Economic Resources (Factors of Production) –

 1. *Natural Resources –*

 2. *Human Resources* –

 a. *Entrepreneur* –

 3. *Capital Resources* –

 F. Resources are Limited!

Assessment 1-1, page 11

1. Economic Choices
2. The Basic Economic Problem is Scarcity –
3. Scarcity forces you to make choices
4. Economic Decision Making –
5. Trade-offs and Opportunity Costs
6. Trade-Off –
7. Opportunity Cost –

Decision Making Process

1. Define the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Identify the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Evaluate the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of each choice
4. Choose the \_\_\_\_\_\_\_\_\_\_\_\_ alternative
5. Act on Your \_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ your decision

Assessment 1-2, pg. 15

1. Economic Systems
2. The 3 Basic Economic Questions Every Country Must Answer

1.

2.

3.

 B. Types of Economic Systems

 1. Command Economy –

 2. Market Economy –

 a. *Marketplace* –

 3. Traditional Economy –

 4. Mixed Economy –

 C. The U.S. Economic System

 1. Capitalism –

 2. Other names for our system *Free Enterprise* or *Private Enterprise*

 D. The U.S. Economic System is based on 4 principles

 1. Private Property –

 2. Freedom of Choice –

1. Profit –
2. Competition –

Assessment 1-2, pg. 22

1. Supply and Demand
2. Participating in a Market Economy
3. Consumer –
4. Producers –
5. Consumers set Demand – the quantity of a good or service that consumers are willing and able to buy
6. *Demand Curve* –
7. Producers Establish Supply – the quantity of a good or service that businesses are willing and able to provide.
8. *Supply Curve* –
9. Factors Affecting Demand

1.

2.

 E. Factors Affecting Supply

 1. *Competitors* –

 2. Natural Disasters

 3. Wars

 F. Market Price –

Assessment 1-4, pg. 26