Goal 8 Study Guide

1. Who owns and operates all businesses in a command economy?
2. What is one pro and one con of a market economy?
3. What is a mixed economy?
4. Explain what type of economy each is aligned with: Adam Smith and Karl Marx
5. What is a **subsidy**, give an example.
6. What would happen to demand for Hondas if the price of Toyotas went up?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. If the cost of production rises, what happens to supply?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. What would happen to the supply of summer clothes in stores when the winter season begins?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. If you were a producer and you had surplus supply of your good, what would you do to the price of your good?
10. If your supply is greater than demand you have a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (surplus or shortage), this will cause the price of the good to go \_\_\_\_\_\_\_\_(up or down).
11. If demand is greater than your supply you have a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (surplus or shortage), this will cause the price of the good to go \_\_\_\_\_\_\_\_\_\_\_\_ (up or down)
12. What is Gross Domestic Product (GDP)? What is it used for?
13. a)What countries are involved in NAFTA?

 b)What is one pro and one con of NAFTA?

1. What is globalization? What is interdependence?
2. What country do we currently have an embargo with? Why?
3. What does it mean for a country to have a “comparative advantage?”
4. What would be the impact on American made cars if the United States put a tariff on foreign made cars?
5. What impact do subsides have on the price of goods?
6. A tax on luxury goods
7. Money from the government to a business to help lower the cost of production
8. A limit on the amount of goods that can be imported
9. When it is illegal to trade with another country
10. A tax on imported goods.

19.\_\_\_\_\_Tariff

20.\_\_\_\_\_Excise Tax

21.\_\_\_\_\_\_Embargo

22.\_\_\_\_\_\_Quota

23.\_\_\_\_\_Subsidy

24. Should U.S. companies use foreign sweatshops to make their products? Give two reasons why or why not.