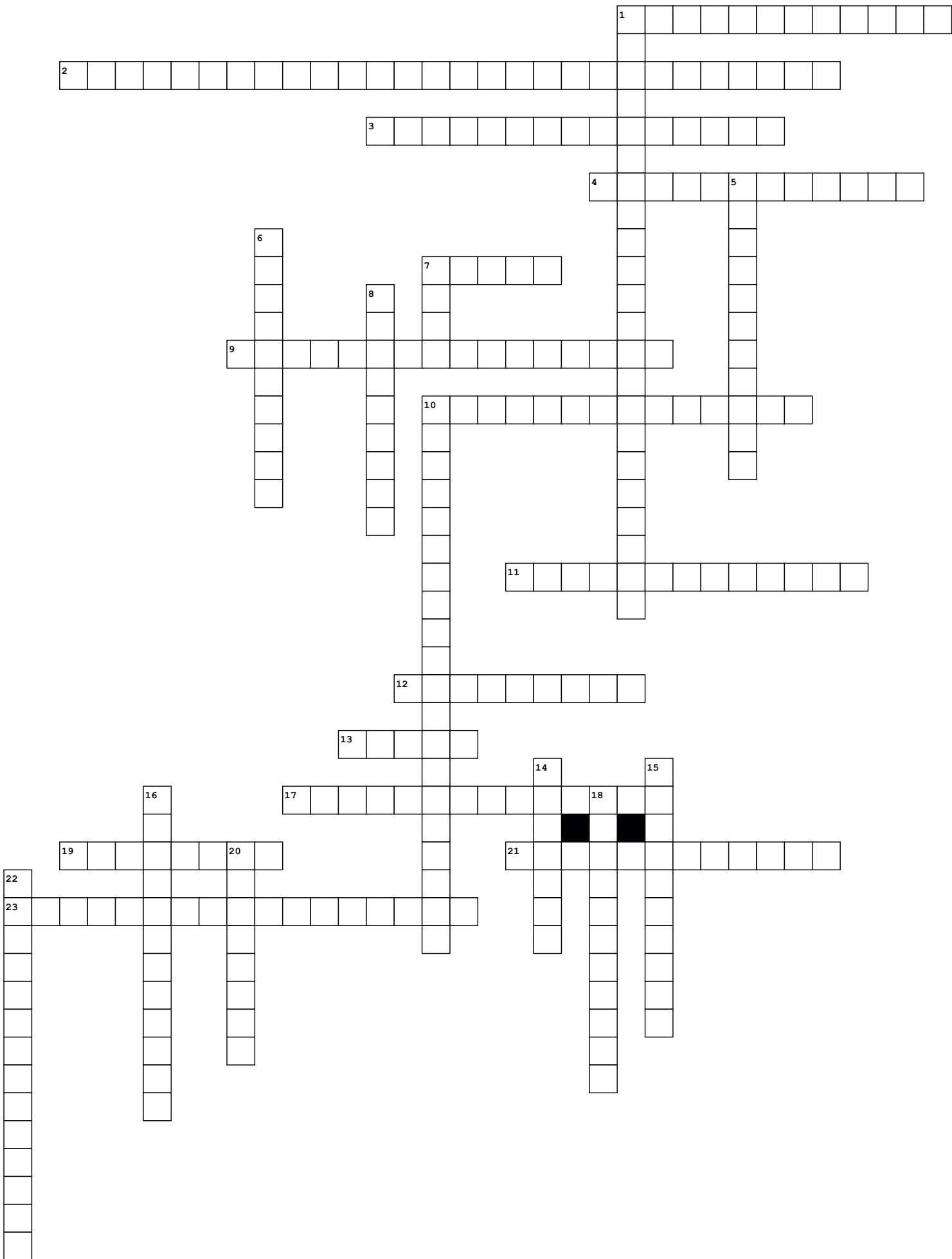


Economics Vocabulary



Across

1. Production levels outside the PPC that cannot be reached under current conditions. Future technologies or an increase in resources could cause the PPC to move outward.
2. An economic model that shows all the possible combinations of two goods that could be made using all available resources
3. The value of the next-best alternative when a choice is made
4. One who recognizes a profit motive and takes on risk to organize the resources needed to start a business
7. All of the human inputs in the production of goods and services
9. The level of wealth, comfort, material goods and necessities available to a group or nation.
10. System in which the government controls the factors of production and decides what to produce. Communism is an example.
11. Private Individuals and businesses control the factors of production and the free market determines prices. The government takes a hands-off approach to the economy. Also called capitalism.
12. The land, labor, and capital that goes into the production of goods and services (not money)
13. A voluntary exchange that is mutually beneficial
17. Individual workers focus on single tasks, enabling each worker to be more efficient and productive
19. The condition of having unlimited wants and limited resources
21. The combination of free markets and government regulation that exists in virtually every modern economy, although each country may have more of one or the other.
23. The ability of an individual or group to produce something more efficiently than another.

Down

1. When an incentive is designed to encourage a particular behavior but backfires, causing effects that were not planned by those who designed the incentive.
5. Goods that, once produced, are available to all, such as military defense and roads.
6. Economic system in which production and trade are controlled by private owners who are motivated by profit
7. All natural resources used in production of goods and services
8. Free-market economist who supported trade and authored The Wealth of Nations.
10. The ability of an individual or group to produce something at a lower opportunity cost than another.
14. All of the machinery, equipment, and man-made goods that are used in the production of goods and services
15. External motivators that explain people's choices
16. Households sell resources (especially labor) to businesses for money in the resource market and use that money to buy goods and services from businesses in the product market.
18. Wasted resources cause production to fall below the PPC, such as unemployed workers or unused factories
20. A choice that has both costs and benefits
22. The study of an entire economy, including its output, unemployment government spending, and growth