

Economic Vocabulary List

Traditional Economy: an economy in which people make economic decisions based on their customs and habits

Market Economy: Economic decisions are made by individuals or the open market.

Command Economy: An economic system in which the government makes all economic decisions.

Mixed Economy: Some businesses are owned by the government and others are owned by private citizens.

Goods: Materials that are produced for people to buy or things that can be seen or touched.

Services: Jobs that people do for other people in return for pay

Barter: exchange of goods or services for other goods or services without using money.

Currency: a system of money in general use in a particular country.

Entrepreneur: A business owner

Scarcity: A limited supply of a good or service; usually high prices.

Renewable Resources: Any resource, such as wood or solar energy, that can or will be replenished naturally in the course of time.

Nonrenewable Resources: a resource that comes from the earth and cannot be replaced

Human Resources: the skills, knowledge, and experience possessed by an individual or population,

Physical Resources: a factor of production consisting of machinery, buildings, computers

Supply: The amount of a product that is available for people to purchase

Demand: How much in the way of goods and services people want and are able and willing to buy at a given price

Opportunity Cost: The value of the best alternative that you have to give up in order to get something else

Surplus: an amount that is more than needed, excess

Profit: Money made after the bills are paid.

GDP (gross domestic product): the total value of goods produced and services provided in a country during one year.

Monopoly: When only one producer makes a product; leads to high prices; no competition.

Productivity: The amount of goods or services that can be made in a certain amount of time; increased with new knowledge, technology, and specialization.

Specialization: When one person does a specific job in a business.

Competition: the rivalry among sellers trying to achieve such goals as increasing profits, market share, and sales

Import: Bringing in products from another country.

Export: Selling goods to another country.

Trade Barrier: any regulation or policy that restricts international trade, especially tariffs, quotas.

Tax: A payment to the government.

Tariff: Tax on imported goods.

Quota: a limited or fixed number or amount of people or things, in particular.

Blockade: Something that prevents goods and people from moving in and out of an area.

Embargo: Stop buying or selling goods to another country; sometimes countries set up a blockade.

Interdependence: Where people, businesses, and countries rely on others to survive.

Globalization: the process by which businesses or other organizations develop international influence or start operating on an international scale.