1. What is a trade-off?
2. What is an opportunity cost?
3. What economic model do businesses use to determine how much of a product they can produce?
4. Draw the Economic Circular Flow Model and label the following parts: Consumer, Factor, Business, Product and Government Markets.
5. How do businesses use profit motive?
6. Name an example of substitute goods.
7. Name an example of complementary goods.
8. What is consumer sovereignty?
9. What are the differences between a traditional, capitalistic, socialistic and command economy?
10. What does the Law of Diminishing Marginal Utility state? Does it relate to supply or demand?
11. What does the Law of Diminishing Returns state? Does it relate to supply or demand?
12. What happens to price in a shortage? What about a surplus?
13. Name an example of a price floor and a price ceiling.
14. List AND describe the 4 Factors of Production.
15. What is scarcity?
16. What are the differences between an elastic and inelastic goods?
17. What is a subsidy?
18. What effect does competition have on price?
19. What is a monopoly? Name an example of a LEGAL monopoly.
20. What is an oligopoly?
21. What is the equilibrium point?
22. What happens to demand as price goes up?
23. What happens to supply as price goes up?
24. What does laissez-faire mean?
25. What type of merger occurs if two cell phone companies join together?
26. What factors effect demand?
27. What factors effect supply?
28. DRAW your own supply and demand graph, then answer the following:
	1. What is your equilibrium price?
	2. What is your equilibrium quantity?
	3. If demand increased and supply stays the same, what becomes your new equilibrium price?