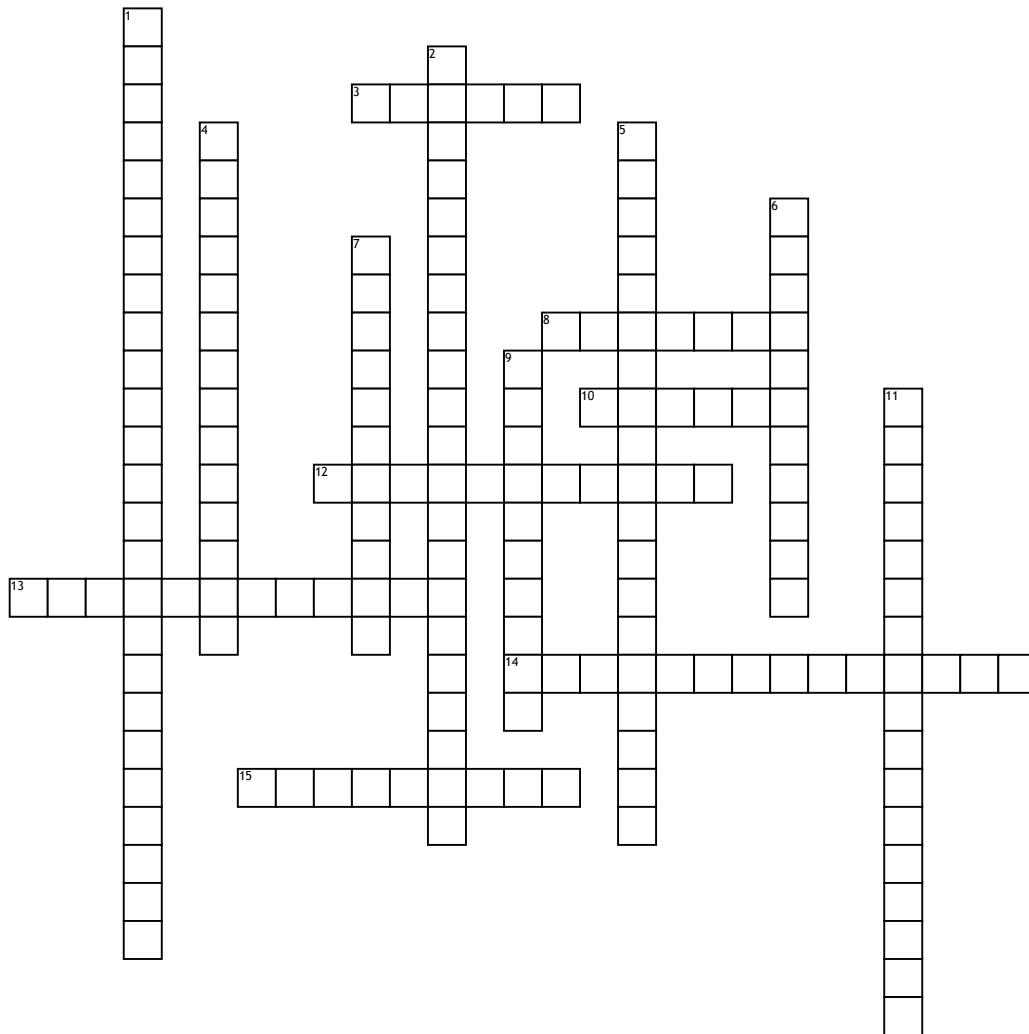


Ch. 2 Vocabulary



Across

- 3. People and firms act in their own best interests to answer the WHAT, HOW, and FOR WHOM questions
- 8. A central authority makes most of the WHAT, HOW, and FOR WHOM decisions
- 10. The extent to which persons or organizations are better off at the end of a period than they were at the beginning
- 12. An income that does not increase even though prices go up—find that bills are harder to pay and that planning for the future is more difficult
- 13. People carry on their economic affairs freely, but are subject to some government intervention and regulation

14. A federal program of disability and retirement benefits that covers most working people

15. A rise in the general level of prices—occurs, workers need more money to pay for food, clothing, and shelter

Down

- 1. People carry on their economic affairs freely, but are subject to some government intervention and regulation
- 2. The privilege that entitles people to own and control their possessions as they wish
- 4. An organized way of providing for the wants and needs of their people

5. Describes the role of the consumer as sovereign, or ruler, of the market

6. The allocation of scarce resources, and nearly all other economic activity, stems from ritual, habit, or custom

7. The struggle among sellers to attract consumers while lowering costs

9. Private citizens, many of whom are entrepreneurs, own the factors of production

11. The act of buyers and sellers freely and willingly engaging in market transactions

Word Bank

- Capitalism
- Profit
- Private Property Rights
- Command
- Modified Private Enterprise

- Inflation
- Mixed Economy
- Competition
- Economic System
- Traditional

- Market
- Consumer Sovereignty
- Fixed Income
- Voluntary Exchange
- Social Security