

Name: _____ Date: _____

What is Economics (2)

1. A good that is demanded for more than one purpose, so that an increase in demand for one purpose reduces the available supply for the other purpose.
 2. The measure of inflation used as the inflation target in the UK, it is derived from movements in a weighted basket of consumer goods over a 12 month period.
 3. The concept that it is the preferences of consumers that determines resource allocation
 4. The amount over and above the market price that the consumer would have been willing to pay for a good or service.
 5. The transfer of responsibility for providing a particular service from the public to the private sector. This can also be known as outsourcing.
 6. The cost of maintaining your present standard of living.
 7. The type of inflation that arises from firms passing on, in the form of higher consumer prices, any increases in their costs of production.
 8. Where public sector spending is at the expense of private sector investment.
 9. That part of the balance of payments where trade in goods and services, investment income and current transfers are recorded.
 10. Payments or receipts where there is no corresponding exchange of goods or services.
 11. A group of countries that have free trade between members, but common external barriers
 12. A sustained fall in the general level of prices.
 13. A curve showing the quantity of a good consumers are willing and able to buy over a range of prices over a specified time period.
 14. The type of inflation that arises from an increase in aggregate demand in a situation where the economy is at or near full capacity.
- A. Consumer prices index
 - B. Derived demand
 - C. Consumer surplus
 - D. Direct tax
 - E. Demand curve
 - F. Consumer Sovereignty
 - G. Division of labour
 - H. Contracting out
 - I. Demand pull inflation
 - J. Discretionary Fiscal Policy
 - K. Deflation
 - L. Crowding out
 - M. Demerit good
 - N. Double coincidence of wants

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| 15. Goods which the State believes harmful and thinks that the consumer is not the best judge of their own interests, because of imperfect information held by consumers. | O. Customs union |
| 16. A situation in which a freely floating currency falls in value against another currency(s). | P. Current transfers |
| 17. A situation in which a product or service, such as labour, is not demanded for itself, but its demand is dependent on the demand for the product it helps to produce. | Q. Depreciation |
| 18. When the value of a fixed exchange rate is decreased to a new lower rate. | R. Current account |
| 19. A tax levied on incomes and wealth. | S. Devaluation |
| 20. Where a country deliberately sets its exchange rate at a low level to gain a trade advantage. | T. Cost-push inflation |
| 21. The deliberate use of Fiscal Policy as a mechanism by which to fine-tune the economy. | U. Dumping |
| 22. When the general price level rises at a slower rate. | V. Cost of living |
| 23. The process whereby workers specialise in, or concentrate on, particular tasks. | W. Disinflation |
| 24. The situation where, in a barter system of exchange, a seller needs to find a a buyer who not only wants what the seller is selling, but also has something that the buyer wants. | X. Composite demand |
| 25. The sale of a product in a foreign market at a price below its marginal cost of production. | Y. Dirty float |
| 26. A term used to describe policies which stress domestic control of the economy even if this Requires the imposition of protectionism. | Z. Economic Nationalism |