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| Chapter Study Guide Economic Activity | | | | | |
| Part 1 Unscramble **Directions**Unscramble the following vocabulary words that were discussed in Chapter 2. | |  |  | | |
| Answers | | |
| 1. | rutviiopdcyt | | 1. | |  |
| 2. | ctsko | | 2. | |  |
| 3. | yitqeu | | 3. | |  |
| 4. | orseisnec | | 4. | |  |
| 5. | ladfetnoi | | 5. | |  |
| 6. | ertinsetetar (2 words) | | 6. | |  |
| 7. | spytopirer | | 7. | |  |
| 8. | prixcedine (2 words) | | 8. | |  |
| 9. | lftiinano | | 9. | |  |
| 10. | fdegtubitedci (2 words) | | 10. | |  |
| 11. | vycrereo | | 11. | |  |
| 12. | nycbeusciless (2 words) | | 12. | |  |
| Part 2 Matching **Directions**In the Answers column, write the word or phrase from Part 1 above that correctly matches each statement below. | | |  |  | |
| Answers | |
| 13. | A period in which most people who want to work have a job, wages are good, businesses are producing a record number of goods, and the rate of gross domestic product (GDP) growth is increasing | | 13. | |  |
| 14. | Can be increased by an improvement in management techniques | | 14. | |  |
| 15. | Although there is a decrease in prices, people have less money to buy products | | 15. | |  |
| 16. | A situation where a government spends more money than it takes in over a period of time | | 16. | |  |
| 17. | A period in which unemployment begins to rise, demand begins to decrease, and businesses lower production | | 17. | |  |
| 18. | An increase in prices and a decrease in the buying power of the dollar | | 18. | |  |
| 19. | Represents the cost of money | | 19. | |  |
| 20. | A phase represented by an increase in employment, demand for goods, and the GDP | | 20. | |  |
| 21. | Movement of the economy from one condition to another | | 21. | |  |
| 22. | Represents ownership in a corporation | | 22. | |  |

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| Part 3 Name That Measure **Directions**In the Answers column match the following economic measures with their descriptions.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | A. | gross domestic product (GDP) | C. | Consumer Price Index (CPI) | | | B. | unemployment rate | D. | retail sales | Answers | | | | | |
| 23. | Compares the prices of a group of selected items each year to some earlier year | 23. |  | |
| 24. | The total dollar value of all final goods and services produced each year in a country | 24. |  | |
| 25. | Monthly measure of the sales of durable and nondurable goods bought by consumers | 25. |  | |
| 26. | The most widely used measure of national output | 26. |  | |
| 27. | The percentage of people in the labor force who are willing to work, are looking for work but are unable to find work Part 4 Activities | 27. |  | |
| 28. | Business journals and newspapers regularly publish articles analyzing data that has been compiled by the government to examine the relative health of the economy. Conduct research to locate a current article dealing with one of the leading economic indicators, such as gross domestic product, consumer spending, interest rates, common stock prices, or unemployment rates. Read the article and write a report that addresses the issues listed below. Attach a copy of the article to your report.  The cover sheet should include:  Title of the article  Source  Date  Your name  Class  The body of the report should present:  A summary of the article.  Discussion of how this information will affect you, your family, and your community.  Discussion of how this information will affect local businesses, their employees, and the economy  in general.  The conclusion of the report should present:  Your opinion of the impact this information will have on the economy in the future.  Your thoughts on the value of the information in the article. | | |

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| 29. | Employment statistics can relate valuable information about the economy. In times of prosperity, employment usually increases. However, in some industries, jobs may decrease even in times of prosperity if the production of goods to satisfy needs and wants is changing. The 2004 Statistical Abstract of the United States contains the following employment data for sectors of the U.S. economy from 2000 through 2003. | | | | | |
|  |  | EMPLOYMENT  (in millions) | |  | PERCENTAGE OF CHANGE | RANK IN NO.  OF JOBS |
| INDUSTRY | 2000 | 2003 |  |  |  |
| Wholesale/Retail | 20.0 | 20.7 | ***(20.7 – 20.0)/20.0*** |  |  |
| Finance/Real Estate | 9.4 | 9.7 | ***(9.7 – 9.4)/9.4*** |  |  |
| Transportation and  Utilities | 7.4 | 7.0 | ***(7.0 – 7.4)/7.4*** |  |  |
| Construction | 9.9 | 10.1 | ***(10.1 – 9.9)/9.9*** |  |  |
| Manufacturing | 19.6 | 16.9 | ***(16.9 – 19.6)/19.6*** |  |  |
| Education and  Health Services | 26.2 | 28.3 | ***(28.3 – 26.2)/26.2*** |  |  |
| Professional, Business and other  Services | 20.1 | 20.7 | ***(20.69 – 20.1)/20.1*** |  |  |
|  | 1. Calculate the percentage of change in each of the categories and record it in the table. Round off your answers to the nearest percent.  2. Was there a decrease in employment in any category? If so, which one(s)?  3. Rank the categories based on the total number of people employed in each industry in 2003. Most people were employed in which category?  4. Which category experienced the greatest percentage of increase? How many people does that percentage of increase represent?    5. What conclusions about the U.S. economy can you draw from this table? | | | | | |