# 12th Grade Economics Vocabulary

E(1) Citizenship. The student understands the rights and responsibilities of consumers in the U.S. free enterprise system. The student is expected to:

(A) analyze the economic rights and responsibilities of individuals as consumers.

| Vocabulary Word | Definition |
|---|---|
| Free Contract | Concept that people may decide what agreements they to enter into |

E(3) Citizenship. The student understands the right to own, use, and dispose of private property. The student is expected to:

(B) identify and evaluate examples of restrictions that the government places on the use of business and individual property.

| Vocabulary Word | Definition |
|---|---|
| Private Property Rights | Concepts that people have the right and privilege to control their possessions as they wish |
| Open opportunity | Concept that everyone can compete in the market place |

(4) Economics. The student understands the basic principles of the U.S. free enterprise system. The student is expected to:

(A) explain the basic principles of the U.S. free enterprise system including profit motive, voluntary exchange, private property rights, and competition.

| Vocabulary Word | Definition |
|---|---|
| profit motive | The force that encourages people and organizations to improve their material well-being |
| voluntary exchange | The concept that people make, decide what and when they want to buy and sell |
| private property rights | Concepts that people have the right and privilege to control their possessions as they wish |
| competition | The rivalry among sellers to attract consumers while lowering cost |

(B) explain the benefits of the U.S. free enterprise system including individual freedom of consumers and producers.

| Vocabulary Word | Definition |
|---|---|
| free enterprise | Economic system characterized by private or corporate ownership of capital goods |
| Variety of goods | Any combination of consumer goods available to the public for consumption |
| Responsive prices | Reaction to a free market system, where supply equals demand and price |
| Investment opportunity | The act of redirecting resources from being consumed today for consumption at a later date |
| Consumer Sovereignty | Power of consumers to decide what gets produced |

E(10) Economics. The student understands traditional, command, and market economic systems. The student is expected to:

(A) explain the characteristics and give examples of traditional, command, and market economic systems.

| Vocabulary Word | Definition |
|---|---|
| traditional | Economics based on tradition, beliefs, customs, handed down from generation after generations |
| command | Government control of factors of productions and allocation of those resources |
| market economic systems | Individual owned factors of production and make economics decision through free interactions |

(B) compare the U.S. free enterprise system with other economic systems.

| Vocabulary Word | Definition |
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E(11) Economics. The student understands the basic concepts of consumer economics.
The student is expected to:

(C) analyze the economic impact of investing in the stock market.

| Vocabulary Word | Definition |
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| Credit | Receipt of money either directly or indirectly to buy goods and services |
| interest | Payment people receive when they lend money or allow someone else to use their money |
| insurance | Use to protect investments, capital goods, or estates |

E(12) Geography. The student understands the geographic significance of the economic factors of production.
The student is expected to:

(B) analyze the locations of resources used in the production of an economic good and evaluate the significance of the locations.

| Vocabulary Word | Definition |
|---|---|
| factors of production | Land, Labor , Capital, and entrepreneurship |

E(13) Geography. The student understands the reasons for international trade and its importance to the United States.
The student is expected to:

(B) apply the concept of comparative advantage to explain why and how countries trade.

| Vocabulary Word | Definition |
|---|---|
| comparative advantage | The ability of a country to product at a lower opportunity cost |

E(15) Government. The student understands the role that the government plays in the U.S. free enterprise system. The student is expected to:

(A) describe the role of government in the U.S. free enterprise system.

| Vocabulary Word | Definition |
|---|---|
| Laissez-faire | Government minimizes its interference with the economy |

E(17) Government. The student understands the economic impact of fiscal policy decisions at the local, state, and national levels.
The student is expected to:

(A) identify types of taxes at the local, state, and national levels and the economic importance of each.

| Vocabulary Word | Definition |
|---|---|
| Local | Revenues collected by city and county governments |
| State | Revenues collected by the state including gas, property , sales and some states income taxes |
| Federal Taxes | Revenues collected by the Federal government in the form a income taxes, social security taxes |

E(19) History. The student understands economic ideas and decisions from the past that have influenced the present and those of today that will affect the future.
The student is expected to:

(A) analyze the importance of various economic philosophers such as John Maynard Keynes, Karl Marx, and Adam Smith and their impact on the U.S. free enterprise system.

| Vocabulary Word | Definition |
|---|---|
| John Maynard Keynes | British Economist who introduced Demand side economics |
| Karl Marx | German author who wrote “Communist Manifesto “ which advocated the command economy |
| Adam Smith | Author of “Wealth of Nations” which described the markets “invisible hand” theory |

(B) trace the history of the labor movement in the United States.

| Vocabulary Word | Definition |
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E(20) History. The student understands economic concepts embodied in historical documents including the U.S. Constitution.
The student is expected to:

(A) identify economic concepts in the U.S. Constitution including property rights and taxation.

| Vocabulary Word | Definition |
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E(26) Science, technology, and society. The student understands the effects of science and technology on an economy.
The student is expected to:

(B) analyze the economic effects of the development of communication and transportation systems in the United States.

| Vocabulary Word | Definition |
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