

Chapter 19 Worksheet

Answer questions on a separate sheet of paper.

Section 1

1. How is Net Domestic Product calculated?
2. What are the four factors of production?
3. What do we call the loss of value to goods based on wear and tear?
4. What do we call the total dollar value of all final goods and services produced in the nation during a single year?
5. What is standard of living?

Section 2

6. What are the four parts of the circular flow of economic activity?
7. What is meant by division of labor?
8. What is meant by market?
9. What percent of GDP consumption belongs to the business sector?
10. What term refers to the efficient use of resources?
11. Where does the government sector receive most of its revenue?
12. Why is specialization so important?

Section 3

13. Define Capitalism.
14. How does competition help a market?
15. How much of a role did Smith say the government should play in the economy?
16. What book about capitalism first described the principles of economics? Who was the author?
17. What is a free-enterprise system?
18. What is voluntary exchange?

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