Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chapter 2 Study Guide

**Part 1 – Unscramble**

Directions: *Unscramble the following vocabulary words that we discussed in Chapter 2.*

1. rutviiopdcyt \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. ctsko \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. yitqeu \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. orseisnec \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. ladfetnoi \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. ertinsetetar (2 words) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. spytopirer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. prixcedine (2 words) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. lftiinano \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
10. fdegtubitedci (2 words) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
11. vycrereo \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
12. nycbeusciless (2 words) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part 2 – Matching**

Directions: *In the blanks provided, write the word or phrase from Part 1 above that correctly matches each statement below.*

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A phase of the business cycle 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) is increasing
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Can be increased by an improvement in management techniques
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Although there is a decrease in prices, people have less money to buy products.
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A situation where a government spends more money than it takes in over a period of time
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A phase of the business cycle in which unemployment begins to rise, demand begins to decrease, and businesses lower production.
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ An increase in prices and a decrease in the buying power of the dollar
7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Represents the cost of money
8. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A phase of the business cycle represented by an increase in employment, demand for goods, and the GDP
9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Movement of the economy from one condition to another
10. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Represents ownership in a corporation

**Part 3 – Name That Economic Indicator**

Directions: *Match the following measures with their descriptions. Write the letter of the term in the blank.*

1. Consumer Price Index (CPI)
2. gross domestic product (GDP)
3. GDP per capita
4. personal income
5. productivity
6. retail sales
7. unemployment rate
8. \_\_\_\_\_\_\_\_ The percentage of people in the labor force who are willing to work, are looking for work but are unable to find work
9. \_\_\_\_\_\_\_\_ The total dollar value of all final goods and services produced each year in a country
10. \_\_\_\_\_\_\_\_ Compares the prices of a group of selected items each year to some earlier year
11. \_\_\_\_\_\_\_\_ Monthly measure of the sales of durable and nondurable goods bought by consumers
12. \_\_\_\_\_\_\_\_ The per person value of all final goods and services produced each year in a country
13. \_\_\_\_\_\_\_\_ The salaries, wages, investment income, and government payments to individuals
14. \_\_\_\_\_\_\_\_ The production output in relation to a unit of input, such as a worker

**Part 4 – Fill in the Blank**

Directions: *Fill in the word or phrase that best completes each statement.*

1. The movement of the economy from one condition to another and back again is called the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to money spent by a business for an item that will be used over a long period.
3. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ represents debt for an organization.
4. A business organized as a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ sells shares of stock to its investors.
5. The total amount owed by the federal government is called the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
6. The purchaser of a corporate bond is called the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, while the business receiving the money is called the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Part 5 – The Business Cycle**

Directions: *Label the graphic below with the phases of the business cycle.
(depression, prosperity, recovery, and recession)*

* GDP, productivity, and demand are high
* unemployment is low
* GDP, productivity, and demand are decreasing
* unemployment is increasing
* GDP, productivity, and demand are increasing
* unemployment is decreasing
* GDP, productivity, and demand are low
* unemployment is high