

VOCABULARY Economics Unit 2

antitrust laws	rules that prevent the creation and behavior of monopolies
bank balance	amount of money in a bank account
barter	to exchange goods and services without the use of money
bond	type of security that is issued for a certain amount
budget deficit	amount of money that a government overspends in a certain amount of time
capital	money used for an economic purpose, like investment
central bank	a country's primary authority on areas related to money
check	a set of written directions that tells a bank how to use money to pay someone
checking account	bank service that allows people to keep their money in the bank and to take out the money on demand
competitor	person or group that rivals another
consumer	person whose economic wants are satisfied by using goods and services
copyright	sole right to publish or sell a form of artistic work
counterfeit	not real
demand	willing and able to buy a good or service
depository institutions	financial institutions whose funds come mainly from deposits
denomination	paper money of a certain value
economies of scale	decreasing the average cost of each good as output increases
entrepreneur	person who organizes other productive resources to make goods and services
exchange	to trade, or a market where buyers and sellers interact
exchange costs	what is given up from trading or bartering
exchange rate	amount of one currency that can be traded for a unit of another currency

fad	goods and services that become popular very quickly and then lose their popularity very fast
federal reserve	the central bank of the United States
financial capital	money used for investments
fiscal policy	decisions to change spending or tax levels by the federal government
grant	monetary aid given by another organization (such as the government or corporations)
innovation	when an invention becomes usable in a way that has economic value
intangible	something that cannot be touched
intellectual property	intangible assets that result from creativity
interest	price of money borrowed or saved
invent	to make a new product
investment	something that people put their money into, because they hope to make more money in the future
labor	human resource that is used to produce goods and provide services
legal contract	agreement enforceable by law
liability	legal obligation to repay a debt
loan	money to be paid back under certain terms
market	place where buyers and sellers exchange goods and services
market share	a company's sales divided by the total sales in the industry over a certain period of time
minting	the process of stamping out a coin from metal
monetary	relating to money
monetary policy	when the central bank influences the growth of the money supply

money	something that acts as a medium of exchange, like cash; items that are widely accepted as final payment for goods and services, also called currency
money supply	currency, coins, and checking account deposits
not-for-profit organizations	organizations established mainly for religious, health, educational, civic, or social purposes
open-market operations	when a central bank buys and sells securities to influence the growth of the money supply
patent	sole right granted to an individual who invents a good or service
piracy	stealing intellectual property
producer	person who makes goods and services
productivity	the amount of output that comes from a unit of input
property rights	privileges of deciding how resources are used
public good	item that can be used by everyone, provides benefits to more than one person at a time, and whose use cannot be restricted to only those people who have paid to use it
references	people that comment on a person's character and qualifications
return	money earned on an investment
risk	the chance that things will turn out differently than expected
royalty	payment to a person with a copyright or patent to use his or her product
salary	price of labor, usually expressed on a yearly basis
specialization	focusing on one area
supplier	provider
tangible	something that can be touched
taxes	fees that the government charges on products, activities, or income

trade	to exchange goods and services, with or without the use of money
trademark	word(s), symbol, or design that identifies a certain good or service
trade secret	something that gives a producer an economic advantage over other producers
value	an item's worth
voluntary	willing
wage	price of labor, often given on an hourly, daily, or weekly basis