

VOCABULARY economics unit 4

antitrust laws	laws that prevent anti-competitive behavior in the marketplace
collective bargaining	process of negotiating work-related terms between representatives and businesses
commission	money earned as a percentage of sales revenue
division of labor	when the production of a good or service is broken down into several separate tasks, with different people performing each task
economic specialization	when people concentrate their production on fewer kinds of goods and services than they consume
efficiency	using resources effectively, without wasting them
equilibrium price	price at which quantity supplied equals quantity demanded
exports	goods and services sold to foreign countries
externalities	unintended consequences
fixed costs	costs that do not change as output changes
gross pay	full amount of wages or salary that you earn
imperfect competition	when individual sellers have some control over the price of a product in a market
imports	goods and services bought from foreign countries
incentive	something that motivates someone to act in a certain way
inefficient	using resources in a wasteful way
marginal cost	cost of producing an extra unit of output
marginal revenue	money earned from producing an extra unit of output
market share	part of total sales held by one seller
maximizes	makes as big as possible
minimum wage	lowest amount of money that an employer can pay a person for working

monopolistic competition	market structure with large number of sellers who produce differentiated products
monopoly	market structure with a single seller who produces a good or service with no close substitutes
natural monopoly	business that has large economies of scale and can make a product more efficiently than other sellers
net pay	gross pay minus deductions, such as taxes and Social Security contributions
oligopoly	market structure with a few sellers who produce either identical or differentiated products
patent	a grant by the government to make, use, and sell an invention for a certain amount of time
perfect competition	market structure with many sellers, who produce identical products
personal income	money that a person has to buy goods and services
price control	government limit on the maximum or minimum price of a good or service
price discrimination	when producers sell identical goods or services to different buyers at different prices
price setter	seller that determines a product's price
price taker	seller that cannot affect a product's price
property right	the right to decide how a resource is used
regulations	rules that govern behavior
rent control	maximum amount that a property owner can charge a renter
salary range	scope (or range) of earnings
shortage	when buyers want to purchase more than the producers want to sell at the given price

surplus	when producers want to sell more than buyers want to purchase at the given price
tariff	tax on imported goods
variable cost	cost that changes as output changes
wage discrimination	when people receive different wages based on factors such as race and gender
wage structure	levels of job and earning ranges