

## Sample Answers Economics Definitions

**Directions:** Fill in the missing words

<b>economics</b>	the study of the production, distribution, and consumption of goods and services
<b>consumer</b>	a person who buys a good or service
<b>producer</b>	a person who creates and supplies goods or services
<b>goods</b>	tangible items that consumers may purchase (pens, apples, books)
<b>services</b>	intangible items that consumers may purchase (haircuts, dental services babysitting)
<b>capital</b>	anything that enables us to produce goods and services; common examples are tools, factories, materials, knowledge, and money
<b>factors of production</b>	the resources needed to produce a good or service including land, labor, capital, and entrepreneurship

<b>demand</b>	the amount consumers want to buy; together with supply will impact price
<b>supply</b>	the amount that is produced; together with demand will impact price
<b>economic system</b>	the method used by a society or government to organize production and distribute resources, goods and services
<b>economic freedom</b>	the ability of citizens in a society to make economic choices
<b>economic indicators</b>	data used to help measure the health of the economy; common examples include GDP, PPP, HDI, employment numbers, inflation, home sales etc.
<b>standard of living</b>	how well people live in a town, region, or country in terms of income and wealth
<b>prosperity</b>	successful, flourishing, or thriving