**Unit vocabulary review**

**Matching**

***Identifying Key Terms***

*Match each term with the correct statement below.*

|  |  |  |  |
| --- | --- | --- | --- |
| a. | elasticity of demand | f. | total revenue |
| b. | substitution effect | g. | normal good |
| c. | law of demand | h. | inferior good |
| d. | complement | i. | demand curve |
| e. | substitute | j. | *ceteris paribus* |

\_\_\_\_ 1. a graphic representation of a demand schedule

\_\_\_\_ 2. a good that replaces another demanded good

\_\_\_\_ 3. a good that consumers will demand more of when their incomes increase

\_\_\_\_ 4. a good that is always used with another good

\_\_\_\_ 5. the amount of money a company receives by selling goods or services

\_\_\_\_ 6. what happens when consumers react to an increase in a good’s price by consuming less of that good and more of other goods

\_\_\_\_ 7. a measure of how people change their buying patterns when prices change

\_\_\_\_ 8. the way that a change in price determines whether or not consumers buy goods

***Identifying Key Terms***

*Match each term with the correct statement below.*

|  |  |  |  |
| --- | --- | --- | --- |
| a. | subsidy | h. | increasing marginal returns |
| b. | supply schedule | i. | diminishing marginal returns |
| c. | supply curve | j. | marginal revenue |
| d. | elasticity of supply | k. | marginal product of labor |
| e. | excise tax | l. | marginal cost |
| f. | law of supply | m. | market supply schedule |
| g. | variable cost |

\_\_\_\_ 9. the tendency of suppliers to offer more of a good at a higher price

\_\_\_\_ 10. a payment to the government on the production or sale of a good

\_\_\_\_ 11. a measure of the way a quantity supplied reacts to a change in price

\_\_\_\_ 12. a chart that lists how much of a good a supplier will offer at various prices

\_\_\_\_ 13. a government payment that supports a business or market

\_\_\_\_ 14. a level of production in which the marginal production decreases with new investment

\_\_\_\_ 15. the cost of producing one more unit of a good

\_\_\_\_ 16. a chart that lists how much of a good all suppliers will offer at different prices

\_\_\_\_ 17. the additional income from selling one more unit of a good

\_\_\_\_ 18. the change in output from hiring one additional unit of labor

***Identifying Key Terms***

*Match each term with the correct statement below.*

|  |  |  |  |
| --- | --- | --- | --- |
| a. | supply shock | f. | disequilibrium |
| b. | shortage | g. | minimum wage |
| c. | excess supply | h. | price floor |
| d. | spillover costs | i. | price ceiling |
| e. | search costs | j. | rent control |

\_\_\_\_ 19. the smallest amount, by law, that can be paid to a worker for an hour of labor

\_\_\_\_ 20. a maximum amount that can be legally charged for a good or service

\_\_\_\_ 21. a sudden lack of goods

\_\_\_\_ 22. when quantity supplied is more than quantity demanded

\_\_\_\_ 23. situation in which quantity demanded is greater than quantity supplied

\_\_\_\_ 24. a price ceiling placed on the amount people pay for housing

\_\_\_\_ 25. the financial and opportunity costs consumers pay when looking for a good or service

\_\_\_\_ 26. when quantity supplied and quantity demanded are not the same in a market

***Identifying Key Terms***

*Match each term with the correct statement below.*

|  |  |  |  |
| --- | --- | --- | --- |
| a. | economies of scale | f. | price war |
| b. | trust | g. | antitrust laws |
| c. | franchise | h. | market power |
| d. | oligopoly | i. | differentiation |
| e. | barrier to entry | j. | perfect competition |

\_\_\_\_ 27. a market structure in which a few large firms dominate a market

\_\_\_\_ 28. a market structure in which a large number of firms all produce the same product

\_\_\_\_ 29. a series of competitive price cuts that lowers the market price below the cost of production

\_\_\_\_ 30. factors that cause a producer’s average cost per unit to fall as output rises

\_\_\_\_ 31. an illegal grouping of companies that discourages competition

\_\_\_\_ 32. the right to sell a good or service within an exclusive market

\_\_\_\_ 33. making a product unlike other products

\_\_\_\_ 34. any factor that makes it difficult for a new firm to become part of a market