



North Carolina: People, Places, & Progress

Chapter 2: North Carolina's Economy

Section 1: Economic Concepts

Focused Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. The term _____ refers to how people manage material resources in a community or other organized body.
2. Because the economies of modern nations routinely interact with those of other nations, we can also talk about the existence of a _____.
3. All humans have the same basic _____: air to breath, food to eat, water to drink, and clothing and _____ to protect us.
4. Beyond those basic needs, the things we desire are called _____.
5. Humans satisfy needs and wants by acquiring _____ and _____. Goods include tangible items (things you can touch) such as _____, _____, houses, and furniture. _____ are the work or activities people perform, often for a fee.
6. The person who buys the restaurant meal is a _____ — a person who satisfies a need or want by buying a _____ or _____.
7. _____ are the building blocks of an economy.
8. _____ come from Earth or nature and are useful to humans. They include _____, trees and their fruits, or precious _____ mined from Earth, like gold and silver.

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9. _____ are the tools used in the production of goods and services.
10. The term _____ describes the persons who produce goods or services.
11. _____ is a basic economic concept. Scarcity exists when people and societies try to satisfy unlimited wants with _____ resources.
12. An _____ is created by the choices producers and consumers make based on their limited resources.
13. Each choice offers an opportunity that has a _____ and a _____. The opportunity _____ is the value of what the person gains. The opportunity _____ in any kind of decision is the value of the alternative a person does not choose.
14. Whenever an individual, a business, or a government makes a choice to have _____ of one thing to get more of something else, the result is called a _____.
15. _____ is the quantity of a good or service available for sale.
16. _____ describes the quantity of a good or service consumers are willing to buy.
17. A producer will try to maximize _____ (the amount left after costs are subtracted from the price), but will not make _____ so high that buyers reduce their demand.
18. A person who studies the economy is called an _____.

Name: _____ Date: _____ Class: _____

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19. Three aspects help define a _____.
First, it tends to be heavily dependent on _____. Second, people tend to _____ (use items of value rather than money or precious metals for exchange). Third, economic decisions are often made on the basis of long-held _____ (traditions), _____, or _____.
20. In a _____, the government directs the economic system and tries to control how producers answer the four basic economic questions.
21. In a _____, economic decisions are made at an individual, rather than a government, level. The four basic economic questions are answered by _____ based on their beliefs about how _____ will respond to what they produce.