

**GUIDED READING****CHAPTER 3: THE ECONOMY OF WEST VIRGINIA****Section 1: Basic Economic Concepts**

**Directions:** Use the information from pages 100-109 to complete the following statements.

**Introduction**

1. An understanding of \_\_\_\_\_ requires an understanding of basic concepts that play a role in everyday life decisions.

**Wants and Needs**

2. All people throughout the world have the same basic needs—\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
3. \_\_\_\_\_ are tangible (touchable) things such as food, clothing, cars, MP3 players, and DVDs.
4. \_\_\_\_\_ are activities people do for a fee.
5. The person or business that makes goods or provides services is known as a \_\_\_\_\_.
6. A person who purchases a product or service is known as a \_\_\_\_\_.

**Resources and Scarcity**

7. There are three types of resources—\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_—needed to produce goods and services.
8. Natural resources include \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_; human resources are the \_\_\_\_\_ who produce goods or provide services; and capital resources are the \_\_\_\_\_ or \_\_\_\_\_ used to produce goods and services.

**Making Choices**

9. A \_\_\_\_\_ occurs when you give up one thing in order to achieve a more desirable outcome.
10. \_\_\_\_\_ is the quantity of a good or service offered for sale; \_\_\_\_\_ is the quantity of a good or service consumers are willing and able to buy.

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11. A \_\_\_\_\_ is the amount left after costs are subtracted from the price.

### **Basic Economic Questions**

12. The four basic economic questions are (1) \_\_\_\_\_ to produce, (2) \_\_\_\_\_ to produce; (3) \_\_\_\_\_ to produce, and (4) \_\_\_\_\_ to produce.

13. To address the third question—\_\_\_\_\_ can they produce?—the students consider such things as \_\_\_\_\_ and \_\_\_\_\_.

### **Economic Systems**

14. Economists have identified three basic kinds of economies—\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

15. In a traditional economy, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ determine how the four basic economic questions are answered.

16. In a command economy, the \_\_\_\_\_ controls the economy and answers the four basic economic questions.

17. In a market economy, \_\_\_\_\_ answer the four basic economic questions based on \_\_\_\_\_ and \_\_\_\_\_.