

CIVICS & ECONOMICS EOC REVIEW

Name ANSWER KEY

GOAL 1: Foundations of American Political System & Values & Principles of American Democracy

Objective 1.01: How did geographic diversity influence the economic, political, and social life in colonial North America?

Northern Colonies	<i>45 Mostly industry, Large cities, many immigrants, Ship Building and Fishing. Few Slaves, most slaves were house slaves. Agriculture: mostly small farmers, just producing enough food to eat.</i>
Middle Colonies	<i>45 A mixture of some small industry and agriculture. Similar crops to the southern colonies. A few large plantations.</i>
Southern Colonies	<i>45 Agriculture, "Cotton is King", Tobacco production, most of the population was enslaved Africans. Most of the areas were large Plantations.</i>

1. What role did slaves and indentured servants play in the colonies? **42** *They provided the majority of the workforce, especially at the large plantations.*

2. What is **mercantilism**? **52.** *theory that a country should sell more goods to another countries*

3. **Objective 1.02: Trace and analyze the development of ideas about self-government in British North America.**

1. Why did the people come from Britain to North America? *They came for various reasons, but the reason they came was to make money.*

2. Where was the first British attempt at self-government in North America? *Jamestown Virginia, 1607*

3. What is a **charter**? **36** *a legal document granting land & the other authority to step colonial government.*

4. How was the colony managed? *It was used as a source of revenue (money) for the home country (England).*

What was the name of the first representative legislature in North America? *House of Burgesses*

5. What is a **compact**? **36** *an agreement or contact among a group of people*

What did the **Mayflower Compact** do? **37** *established a tradition of direct democracy*

- What two bodies made up the government of each of the 13 colonies? *You can ignore this question.*

What kinds of decisions did the governing bodies make?

Objective 1.03: Causes of the American Revolution

- List the causes of the American Revolution: *The large amount of taxes that the British put in the colonists to pay for the French and Indian War. Quartering Act and the Tax on Tea.*
- Define **boycott**: **52** *the refusal to purchase certain goods*
- What did the First Continental Congress do? **54** *It was the group of states that got together to send a letter to the King demanding that their rights were restored.*
- Where were the first two battles of the American Revolution? **54** *Lexington and Concord*

Objective 1.04: The American Identity

- What information do we find in the **Declaration of Independence**? **55** *A List of Grievances to the British King*
- What two ideals is the United States committed to achieve? *Life and Liberty*

Objective 1.05: Problems Under Articles of Confederation Resolved by Constitution

- What was government like under the **Articles of Confederation**? *It was a very loosely affiliation group of states.*
- What challenges and problems did the new states face? *Taxation*
- How were some of the problems solved with the **Constitution**? *Established the House of Representatives and Senate. The Great Compromise- way of resolving disagreements in which each side gives up something but gains something.*

Objective 1.06: Compare the views of the Federalists and Anti-Federalists

Federalists	Anti-Federalists
PAGE 78 <i>Supporters of the constitution they chose this name 2 emphasize that the constitution would create a system of federalist – form of government , which power is divided between the fed , or natural government and the states.</i>	<i>Those who opposed the constitution they believed that the new constitution would take away the liberties Americans had fought to win from great Britain.</i>

Objective 1.07: How Bill of Rights Extended Constitution

- Define **civil liberties**: **121** *freedom to think and act without government interference or fear of unfair legal treatment*
- Give some examples of rights that are protected by the **Bill of Rights**: **120** *Religion , speech, press, assembly, petition*

Objective 1.08 Comparing US and other Forms of Government

Democratic Governments	Authoritarian Governments
<i>Power is held by the people. It is held by a group of people that have elected by the population.</i>	PG 24 <i>Power is held by an individual or a group not accountable to the people.</i>

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GOAL 2: How US Government Embodies Purposes, Values, and Principles of American Democracy

Objective 2.01: Identify principles of the US Constitution

1. Define **popular sovereignty**: **12** American ideas of individual rights to life liberty , the pursuit of happiness.
2. Define **republic**: **24** a representative democracy where citizens chose their law makers
3. Define **democracy**; **23** a government in which citizens hold the power to rule
4. Define **Bill of Rights**: the first ten amendments to the constitution to protect individual rights.

Objective 2.02: Explain how Constitution defines framework of 3 Branches of Government

5. The __Legislative branch of government makes the laws. It is made up of a ____Senate__ and a __House of representatives____.
6. What is the difference between **expressed** and **implied powers**? **PAGE 185**

Expressed powers – delegated to the congress are enumerated, or clearly listed in article 1 section 8

Implied powers – the powers that congress has because of clause 18 because they are not in the constitution.

7. The __Executive Branch of government sees that the laws are carried out. It is headed by the __President__. **PAGE 209**
8. The __Judicial__ Branch interprets the laws. It is headed by the __Supreme Court__ but includes other __courts__. **PAGE 239**

Objective 2.03: How Constitution Grants and Limits Power of Government

LIMITS ON GOVERNMENT POWER	WHAT IT IS/ HOW IT LIMITS
Rule of law PG 87	<i>The law applies to everyone, even those who Govern no one may break the laws or escape its Reach</i>
Separation of power PG 88	<i>Separate the powers and assign or appoint Each separate branch of government</i>
Checks and balances PG 88	<i>Each branch of government is able to check Or limit the powers of the others</i>
Federal System	<i>It is a system of limited government- a government with defined restrictions on power</i>

Objective 2.04: How to change Constitution

1. Define **amendment**: *any change in the constitution*
2. Define **judicial review**: *the power of supreme court to say whether any federal , state , or local law*
3. How can the Constitution be “informally” changed? *By interpretation by the US Supreme Court*
4. How many amendments have been added to the Constitution? *27 Amendments*

Objective 2.05: Constitution as Supreme Law of Land

1. Define **federal system**: *the sharing of power between the central and state government*
2. What does Article VI, clause 2 say about the Constitution? *The “Supremacy Clause” – the national government is the “supreme law of the land.”*
3. What was the importance of **McCulloch v Maryland**? *Established the concept of Judicial Review*

Objective 2.06: Protection of Rights of Individuals

1. Where in the Constitution do we find protection of individual rights?
Bill of rights
2. What rights were achieved with :

Amendment 13(1865) *Outlaws slavery*

Amendment 14: (1868) *protect legal rights of the freed slaves*

Amendment 15: (1870) *the right to vote*

Objective 2.07: Modern controversies related to powers of federal government

1. What was the major issue of disagreement? *Whether the power of the Federal Government should be with the National Government or the State Government*
2. What kind of government did the Federalists want? *They wanted a strong central (national) government.*
3. What kind of government did the Anti-Federalists want? *They wanted a strong state government.*

Objective 2.08: Sources of revenue

1. What are some services governments provide? *Libraries, Courthouses, Schools, welfare, Police, Fire Department, Jails, Hospitals and Trash Collection.*

2. Define **revenue**: *the income that a government collects for public use*
3. Fill in the chart:

TYPE OF TAX	WHAT IS IT / WHERE \$\$ COMES FROM
Income tax	<i>A tax levied on the income of individuals</i>
Payroll tax	<i>Money taken directly out of your paycheck.</i>
Excise tax	<i>A tax laid on the manufacture, sale, or consumption of goods</i>
Estate and gift taxes	<i>A levy imposed on the assets of one who dies</i>
Customs duties	<i>A tax on goods brought into the US from abroad, also known as tariffs</i>

Objective 2.09: Services provided by government agencies

1. What is the largest expenditure of the federal government? *Social Security*
2. What is Medicare? Medicaid? *Federally administered Health Care.*
3. Give some examples of programs the federal government spends money on. *National defense, foreign relations, health and education, and interest on debts.*

GOAL 3: How state and local governments are established by NC Constitution

Objective 3.01: Principles of NC Constitution

1. How many constitutions has North Carolina had? *3*
2. What are the 3 branches of government in North Carolina?
Legislature, Judicial, Executive
3. What is the Declaration of Rights? *Article I of the NC Constitution spells out the civil liberties and the rights of its citizens.*
4. Who does the NC constitution say the people owe first allegiance to? *US Government.*
5. What do the articles do? *Establishes the structure of the North Carolina Government.*
6. What is a **charter**? *Written document grants land and the authority to set up colonial government*

Objective 3.02: How framework and structure of state and local governments is defined

1. Fill in the chart:

BRANCH OF GOVT.	WHO MAKES IT UP	WHAT IS THE JOB
Executive branch	President and Federal Branches	Enforces Law
Legislative branch	Congress- Senate and House of Representatives	Makes the Law
Judicial branch	Supreme Court and other Federal Courts	Interprets the Law

Objective 3.03: Power Given to and Limiting Public Officials & Government Agencies in NC

1. Where in the North Carolina Constitution do we find the rights of citizens? *Article I*

Objective 3.04: How to change state constitution and local charters

1. How can the North Carolina constitution be changed? *NC legislature has the ability to amend the Constitution.*

Objective 3:05: Court Cases and North Carolina Constitution

1. Who rules on matters affecting the state's constitution? *State Supreme Court*
2. What issue has been of importance in the past few years that was decided by the Court? *Civil Rights*

Objective 3:06: How 14th Amendment Extends Bill of Rights to Citizens of a State

1. What is meant by "equal protection of the laws"? *State government must treat all citizens equally.*
2. How does the 14th amendment restrict the actions of states? Does not allow Slavery

Objective 3.07: Controversies and the Power of State Governments

1. What power did the governor of North Carolina not have before 1996? Power to Veto Legislation
2. What is needed in North Carolina to over-ride a veto? Pocket Veto
3. A veto is an example of a ??? (think....we have had this term) Checks and Balances

Objective 3.08: Sources of local and state revenues

1. What are the sources of tax money for the state of North Carolina and local governments?
Local intergovernmental revenue, property tax, sales tax.
2. Name one way (in addition to # 1) that state and local governments use to pay for major projects.

Contributions from retirement plans.

Objective 3.09: Services of State and Local Governments

1. Give examples of services provided by state and local governments.
Pg 684 Entitlement programs, subsidize, protection and water sewage and sanitation services.
2. What is an **appropriations** bill? Legislation earmarking funds for certain purpose

GOAL 4: Role of a Citizen at All Levels of Government

Objective 4.01: Organization of Political Parties

1. Name the 2 major political parties in the United States today. Democratic and Republican
2. What is the first step in getting a candidate elected to office? Nominating the candidate
3. Give examples of how party members **campaign: Elect party members and raise money.**
4. Parties are organized at what 3 levels? National, State and Local
5. What is a **precinct**? A geographic area that contains a specific number of voters
6. Fill in the chart: **STRUCTURE OF POLITICAL PARTIES**

ORGANIZATION	WHAT IS THEIR ROLE
Precinct captain	All voters to cast their ballots for the Party's candidates
County committee	Often has a great deal of political party in the county.
State committee	To supervise the party's operation within each of the 50 states
National committee	Selects the city in which the national nominating convention will be held
Congressional committees	Monitors on going governmental operations identifies issues suitable for legislation review recommends courses of action.

Objective 4.02: Election Process & Voting Procedures

1. What are the qualifications to vote for President and Vice President? *Electoral College*
2. What are the qualifications for voting in North Carolina? *18 years old, US Citizen, Live in state.*

Citizen, 18, legal

3. What must you do before you vote? What information must you show? Register, show ID

Register, ID

4. What is a **primary** election? *Voters choose candidates to represent each part in general election.*
5. Explain the job of the **Electoral College**? *To choose President*

Objective 4.03: Political Issues and Political Candidates

1. Who are voters most likely to support? *People that vote, think similar things.*

Objective 4.04: Changes through Political Action

1. What role do **interest groups** play in the political process? *Manipulate peoples views*
2. What is the job of a **lobbyist**? *Representatives of interest groups who contacts lawmakers or other gov. officials directly to influence their policies.*

Objective 4.05: Consequences of Obeying or Not Obeying Laws

1. Why do we have laws? *Keep peace and prevent violent acts.*
2. What are some consequences of not obeying the laws? *Jail, probation, house arrest*

Objective 4.06: Benefits of Civic Participation

1. Give examples of ways that citizens can become involved in the government process? *Run for elections, community service, Jury Duty.*

Objective 4.07: Costs and Benefits of Civic Action

1. What is **civic action**? Give some examples. *Non violent action conducted for political purposes.*

Objective 4.08: Participation in Civic Life

1. Give examples of responsibilities of citizenship. *Obey laws, vote, and paying taxes.*
2. Define **volunteerism**: *Practice of offering your time and service to others without payment.*

Objective 4.09: Methods to Resolve Conflicts

1. Give examples of ways conflicts can be resolved. *Call police, mediation.*

GOAL 5: How the Legal & Political Systems Balance Interests & Resolve Conflicts

Objective 5.01: Evaluate the Role of Debate, Consensus, and Compromise

1. Define **consensus**: *General agreement among various groups or fundamental matters*
2. Define **arbitration**: *Situation in which union and company officials submit the issue they cannot agree on to a third party for a final decision.*

Objective 5.02: Identify Jurisdiction of State and Federal Courts

1. Define **jurisdiction**: *Courts authority to hear and decide cases.*
2. What kind of cases is handled by federal courts? *Civil dispute and to decide the guilt and innocence of people accused of crimes.*

Objective 5.03: Adversarial Nature of Judicial Process

1. Define **civil cases**: *Cases involving a noncriminal matter such as a contract dispute or a claim of patent infringement.*
2. Define **criminal cases**: *State or Federal gov't charges someone with a crime.*
3. Fill in the chart:

Similarities between Criminal & Civil Cases	Differences between Criminal & Civil Cases
<i>Takes place in Court. Have lawyers.</i>	<i>Civil case is between two people. Criminal case in breaking a law.</i>

Objective 5.04: Role of Debate and Compromise in Legislative Process

1. What happens to a bill that is introduced in and passed by the House of Representatives?
Goes to the Senate for approval
2. What happens to a bill passed by the House with a slightly different version in the Senate?
Goes to conference committee to work out the differences
3. How does the legislative process operate in North Carolina?
Very similar to the federal system

Objective 5.05: How Local Governments Resolve Conflicts and Balance Interests

1. Read the summary. *Through county commissioner*

Objective 5.06: Analyze Roles of Various Groups in Government Policy Making

1. Fill in the chart:

GROUP	HOW INFLUENCE POLICY MAKING
CITIZENS	<i>They provide public opinion, the ideas and attitudes that most people hold.</i>
POLITICAL PARTIES	<i>Organization of individuals with broad, common interests who organize to win elections, to operate the government and to thereby influence government policy.</i>
MEDIA	<i>Important influence on politics and government. They also set the public opinion. Through Internet, newspapers, TV, and Magazines.</i>
INTEREST GROUPS	<i>Lobbyists, use various techniques to influence public opinion and policy.</i>

GOAL 6: WHY LAWS ARE NEEDED & HOW THEY ARE ENACTED, IMPLEMENTED, & ENFORCED AT ALL GOVERNMENT LEVELS

Objective 1: Development of Laws in American Society

1. Why do we need laws? *To keep order.*

Objective 2: Identify Various Kinds of Laws

TYPE OF LAW	DEFINITIONS / EXAMPLES
COMMON LAW	<i>The system of law, court decisions.</i>
CRIMINAL LAW	<i>Prevent people from deliberately of reckless or harming one another. Ex. Murder</i>
CIVIL LAW	<i>Make sure no criminal law has been broken.</i>
CONSTITUTIONAL LAW	<i>Law based on constitution and Supreme Court decisions.</i>
ADMINISTRATIVE LAW	<i>Laws made by government agency.</i>
STATUTORY LAW	<i>A law passed by legislature.</i>

2. Define the following terms:

Precedents	<i>Ruling that is used as the basis for a judicial decision in a later, similar case.</i>
Prosecution	<i>Party who starts the legal proceedings against another party for a violation of the law.</i>
Defense	<i>An individual or group being sued or charged with a crime.</i>
Lawsuit	<i>A legal action in which a person or group sues to collect damages for some harm that is done.</i>
Plaintiff	<i>A person or party filing a lawsuit.</i>

Objective 6.03: Procedures Involved in Law-making

1. Trace the steps from bill to law: *Introduce, refer to a standing committee, refer to subcommittee, report to standing committee, floor action, debate and vote.*

2. How is legislation at the state level like legislation at the federal level? How does it differ?
Both have to be voted by the Senate and House of Rep. and signed into law by the executive.
3. What is an **ordinance**? *Law, usually of a city or county.*
4. What is the role of the executive branch in the lawmaking process? *Governor must sign bill into law or it can be overridden by 60% of the Senate and House voting against it.*
5. What role do executive agencies play concerning laws? *They must obey the law.*

Objective 6.04: Ways to Inform Citizens About Laws

1. How can citizens learn about the laws made at all levels? *The Media*

Objective 6.05: Role and Responsibility of Government to Inform Citizens

1. How does government inform citizens? *Press Conferences which are covered by the Media.*

Objective 6.06: Role of Lobbyists and Special Interest Groups

1. Fill in the chart:

VOCABULARY TERM	DEFINITION	WHAT THEY DO
Lobbyist	<i>A person paid to represent an interest groups viewpoint.</i>	<i>They try to get their bill passed.</i>
Special interest groups	<i>Organization made up of people with common interests.</i>	<i>They try to get their bills passed.</i>

Objective 6.07: Responsibilities, Jurisdictions, and Methods of Law Enforcement Agencies

1. Fill in the chart: Federal Law Enforcement

Department	What it Does	Agencies Within Department
JUSTICE	<i>Responsible for all aspects of</i>	<i>Alcohol Tobacco Firearms</i>

	<i>law enforcement.</i>	<i>(ATF), Drug Enforcement Agency (DEA), US Marshalls</i>
TREASURY	<i>Collects, borrows, spends and prints money.</i>	Internal Revenue Service (IRS), US Mint.

2. Fill in the chart: State and Local Law Enforcement

Level	Who Makes it Up / What they do
State	<i>State Trooper, State Bureau of Investigations.</i>
Local	<i>Hickory Police Department. Catawba County Sheriff</i>

Objective 6.o8: Methods to Address Criminal Behavior

1. It is the job of the ***Jury*** to decide innocence or guilt and the job of the ***Judge*** to pass sentence.
2. What might be punishments for minor crimes? *Probation, house arrest, community Service*
3. What might be punishment for major crimes? *Prison, death penalty, deportation*
4. What is an ***indeterminate sentence***? *A sentence of imprisonment to a specific minimum and maximum period of time.*
5. What problem has been created by the push for longer jail terms? *Overcrowding*

GOAL 7: Factors of Production

1. Fill in the chart: FACTORS OF PRODUCTION

FACTOR OF PRODUCTION	DEFINITION	EXAMPLES
C apital	<i>Previously manufactured goods to make other goods and services</i>	Tires on a car

E ntrepreneurship	Someone who risks time, money and has idea to start business	Google
L abor	<i>Human effort direct toward producing and services</i>	Energy and time it takes to make something
L and/ Natural Resources	Renewable resources -Resources that can be replaced. Non-renewable resources -Resources that can be used only once.	Crops, natural stuff Oil, Diamonds, Gold, silver, bronze

2. What is the difference between a **want** and a **need**?

Want- things that we would like to have such as entertainment, vacations, and other items.

Need- required for survival, such as food, clothing and shelter.

3. How do businesses use their factors of production?

In the way that they will be the most productive-make them the most profit

Objective 7.02: Scarcity and Choices

1. Define **scarcity**: *not having enough resources to produce all or the things we would like to have.*

2. Why does scarcity exist? *Because no country has all the resources it needs.*

3. Because of scarcity, producers must make **choices among alternatives**.

4. What happens to production costs and prices if resources are scarce or expensive?
They rise

5. Define **consumer**: *someone who buys a good or service*

6. Name two ways that consumers are affected by scarcity:
They ask whether or not they can afford it.
Or if they want the generic brand.

Objective 7.03: Trade-offs and Opportunity Costs

1. Define **trade-off**: *the alternative you face if you decide to do one thing rather than another.*

2. Define **opportunity cost**: *the cost of the next best alternative, use of time and money when choosing to do one thing rather than another.*

3. What will consumers do when making decisions? *Whether or not to buy an item. Purchase at least to scarce resources (income + time) and opportunity cost.*

4. **Fixed costs**- *costs or expenses that are the same shit no matter how many units of a good are produced*

5. **Variable costs**- *expenses that change with the number of items produced*

6. **Total costs**- *added fixed costs to variable costs*

7. **Marginal costs**- *additional costs of producing one additional unit of output*

8. **Marginal revenue-** *is the change in total revenue- the extra revenue that results from selling one more unit of output.*
9. **Marginal benefit-** *the additional satisfaction or benefit received when 1 more unit is produced.*

Objective 7.04: Specialization, Division of Labor, Consumption

1. Define **specialization:** *when people, businesses, regions and or nations concentrate on goods and services that they can produce better than anyone else*
2. Define **division of labor:** *the breaking down of a job into separate, smaller tasks to be preformed individually.*
3. Fill in the chart: **ADVANTAGES and DISADVANTAGES of SPECIALIZATION and DIVISION OF LABOR**

ADVANTAGES	DISADVANTAGES
Both improve productivity	Both depends on other people to produce

Objective 7.05: Impact of Investment on Human Capital, Production, Natural Resources

1. Define and give examples of **capital goods:** *Machines, buildings, money, and tools needed to build things.*
2. Define **human capital:** *the sum of people's skills, abilities and motivation.*
3. Why are businesses willing to invest time and money into the education of human capital?
Because of productivity
4. What will happen as more employees are added to a business?

This is called the **Expansion**.

Objective 7.06: Different Economic Systems

1. What is the major difference between **market** economies and **command** economies?
2. Most economies in the world today are *Market Economy*.

GOAL 8: Features of the United States Economic System

8.01-

1. Fill in the chart: **CHARACTERISTIC OF ECONOMIC SYSTEMS**

ECONOMIC SYSTEM	CHARACTERISTICS
TRADITIONAL	An economic system in which the decisions of what, how and for whom to produce are based on custom or habit.
COMMAND ECONOMIES	An economic system in which the major economic decisions are made by the central government.
MARKET	System in which individuals own the factors of production and make economic decisions through free interaction.

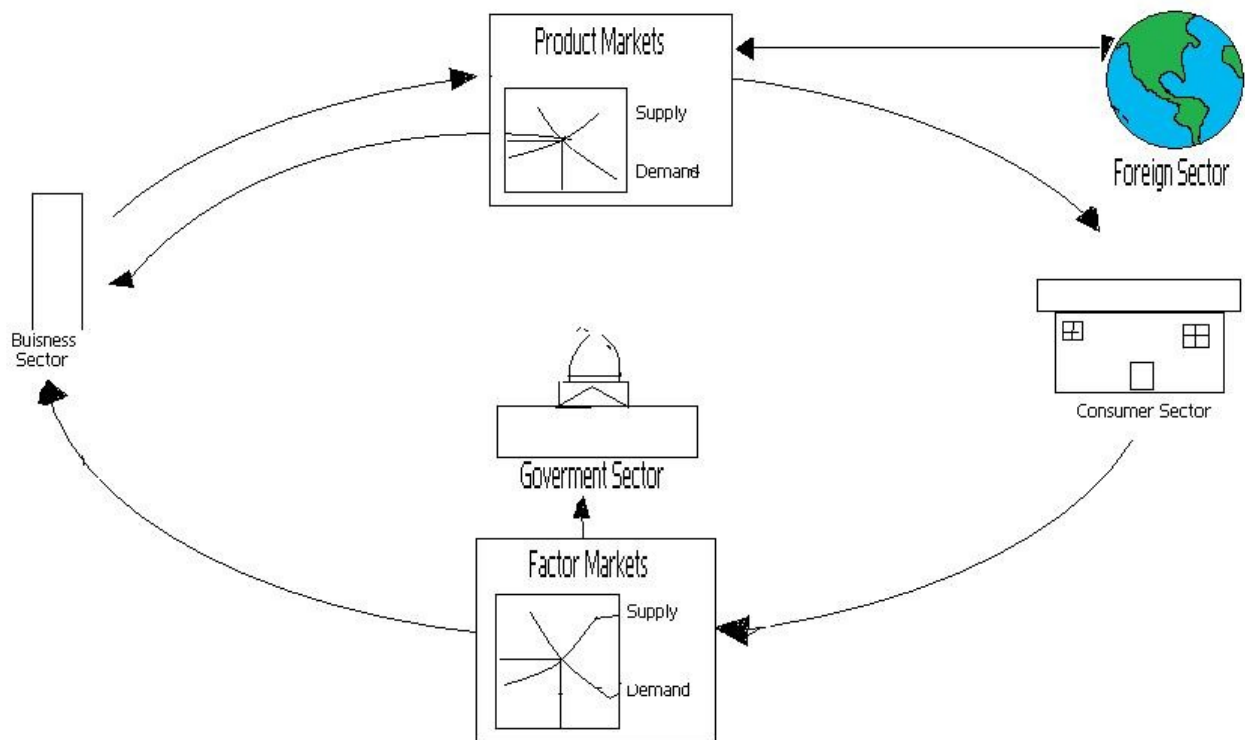
ECONOMY aka Capitalism Adam Smith wrote <i>The Wealth of Nations</i>	
MIXED ECONOMIES	System combining characteristics of more than one type of economy.

Objective 8.02: Free Market Enterprise, Private Ownership, and Individual Initiative

- How does the 5th amendment protect property ownership?
Patents & copyrights-

Objective 8.03: The Circular Flow

- Fill in the chart: THE CIRCULAR FLOW



MARKET	WHAT HAPPENS IN THE MARKET
Product Market	A market where producers offer goods and services for sale.
Factor Market	A market where productive resources are bought and sold.

Objective 8.04: Supply, Demand, and Prices

- How are supply, demand, and prices related? *If demand rises so does supply and prices, If demand drops so does supply and prices.*
- List the factors that effect demand. *Consumers must want a good or service, consumer must be willing to buy the good or service, and the consumer needs the resources to buy it.*
- List the factors that effect supply. *As the price rises for a good, he quantity supplied rises. As the price fall, the quantity supplied also falls.*
- How do substitutes and complements affect supply and demand?

Objective 8.05: Shortages, Surpluses, and Prices

- Fill in the chart:

TERM	DEFINITION	WHAT HAPPENS TO PRICES
Surplus	<i>The amount by which the quantity supplied is higher than the quantity demanded</i>	<i>The prices get to high.</i>
Shortage	<i>The amount by which the demanded quantity is higher than the quantity supplied</i>	<i>The prices are to low</i>

2. When supply and demand are equal, we have a equilibrium price.

3. What is a price ceiling?

Price ceiling is a government-set maximum price that can be charged for goods and services.

4. What is a price floor?

Price floor is a government minimum price that can be charged for good and services.

5. What effect does inflation have on prices? *The prices rise*

6. What effect does deflation have on prices? *The prices decrease*

Objective 8.06: Competition, Price, Supply

1. Why is competition important in our economy?

Because competition is the essential part of a free market

2. How do consumers benefit from competition in markets?

It drives down prices and improves quality

3. Define **monopoly**: *When the market creates a sole provider for a good or service.*

4. How does a monopoly hurt the consumer? *It means there is no competition. They are required to pay whatever the seller asks for the product.*

Objective 8.07: Business Organizations

TYPE OF BUSINESS	DEFINITION	ADVANTAGES	DISADVANTAGES
Sole Proprietorship	A business owned and operated by a single person	Pride in owning the business, receives all the profits	Unlimited liability or complete legal responsibility for all debts and damages
Partnerships	A business owned by two or more people	Pride of sharing ownership in a business	The legal structure is complex
Corporations	Type of business organization and by many people but treated by law as if it is owned by one person	The ease of raising financial capital	Expensive and complex to set up

7. Corporation owners are called _____ Stockholders _____. They buy/sell stocks in the _____ Stock market _____.

Objective 8.08: Investment Decisions

1. How do businesses, individuals, and the government invest in capital?

Fiscal policy	Changes in government spending or tax policies
Monetary policy	The government itself can go very little to prevent inflation results from monetary policy decisions
Banking system	By providing loans to businesses and consumers to make purchases to stimulate the economy
Types of Insurance	Life insurance, car insurance, cell phone insurance, house insurance etc.

Objective 8.09: Role of Money

1. List 3 reasons why money is important in our economic system.

So you will be able to eat

Have a house

And provide for yourself

GOAL 9: FACTORS INFLUENCING THE US ECONOMY

Objective 9.01: Business Cycle and Economic Indicators

1. Define each of the following terms:

Business cycle	Alternating period of growth & decline that the economy goes through
Recession	Time of low economic activity & high unemployment
Trough	Lowest point of a business cycle
Expansion	Takes place when the GDP goes up
Peak	Highest point of a business cycle
Unemployment rate	The percentage of people in the civilian labor force who are not working but are looking for jobs
Inflation	A continuing increase in the average level of prices of goods and services over time
Consumer price index	Measure of change in price over time of a specific group of goods and services
Gross Domestic Product (GDP)	Total value of all goods and services produced in a country during a given year
Real GDP	GDP after adjustment for inflation

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2. What happens to prices and jobs...
During a Recession?
They go away!

During Expansion?
They come back!

Objective 9.03: Impact of Movement of Human Capital and Resources in Economy:

Service Industry = fast growing industry in US

Migration = movement for job or movement of industry (usually to the south or “sun belt” from the north or “Rust belt”)

Objective 9.04: Impact of Current Events

1. Define **specialization** and explain how it makes the country interdependent.
When people, business, regions and/or nations concentrate on goods and services that they can produce better than any body else.

2. How do technological advances impact consumers?
3. How does a war affect consumers and producers?

4. How has downsizing affected NC consumers and producers?

Objective 9.05: Impact of US Economy on International Trade & Global Developments

1. Give 2 reasons why we import goods.

2. Fill in the chart on the **ADVANTAGES & DISADVANTAGES OF IMPORTS**

ADVANTAGES	DISADVANTAGES
The ability of a country to produce a good at a relatively lower cost than another country	Lost sales and jobs in country

Objective 9.06: Domestic and International Trade Interdependency

1. What happens when there are changes in the economy of one nation? One country will likely export more goods and the other country's amount of exports will decline

Objective 9.07: Effects of Fiscal and Monetary Policy

1. What role does the Federal Reserve System play in regulating the money supply?
Fiscal Policy which is changes in government spending or tax policy

2. How is taxation used to regulate economic activity in our nation? By providing money for the government to oversee business

Expand the money supply = increase the money supply= stimulate the economy

Contract the money supply = decreased the money supply = slow the economy

If the federal reserve raises the discount rate, they want to _____lower_ the money supply and make interest rates _higher_____.

If the federal reserve lowers the discount rate, they want to ____raise__ the money supply and make interest rates _lower_____.

If the federal reserve raises the reserve requirement, they want to _lower_____ the money supply.

If the federal reserve lowers the reserve requirement, they want to _increase_ the money supply.

If the government sells bonds/bills on the open market, they want to _increase_ the money supply.

If the government buys bonds/bills on the open market, they want to _lower_____ the money supply.

Objective 9.08: Influence of Environmental Factors, Economic Conditions, and Policy

1. Fill in the chart: FACTORS AFFECTING THE ECONOMY

FACTOR	HOW ECONOMY AFFECTED
Natural disasters	Natural disasters can put a burden on the economy.
Economic development	Every country has its own economic system or way of producing the thing people want and need
Decisions of government leaders	The Government has the ability to change the interest rates which affects the ability for banks to loan money. Government leaders have the ability to change the amount of taxes that are collected

GOAL 10: POSITIONS ON ISSUES IN CONSTITUTIONAL DEMOCRACY

Goal 10.1: Personal and Civic Responsibilities

1. Give examples of civic responsibilities. *Vote in elections, be informed, participate in events, and have respect for others property.*
2. Give examples of civic duties: *Obey the law, pay taxes, defend the nation, serve in court, and go to school.*

Goal 10.2: Issues of Diversity

1. One of the major obligations of American citizens is to respect *one another*.

Goal 10.3: Importance of Education

1. Why is public education important? *So we wont be an ignorant country.*

Goal 10.4: Characteristics of Effective Citizenship

Goal 10.5: Recurring Public Problems and Issues

1. How does our effort to reduce crime create a problem for society? Give examples. *It means more people are in jail, which costs more money.*

Goal 10.6: Consequences / Benefits of Economic, Legal, and Political Changes

1. Why is it a problem to balance freedoms and the need to protect American citizens? *Because it's easy to take away freedoms from people in the name of safety.*