**ABC Book Assignment~**choose one word from each “letter” (including the #s) to create a Google Slide on… you need a picture representing the “word” & an explanation of the “word”…in your own words…not the definitions I provided…28 slides total including the Title Page~the words are “clickable” if you go to the Wikipedia page provided below:

<https://en.wikipedia.org/wiki/Glossary_of_economics>

## 0–9

[***401(k) Retirement Plan***](https://en.wikipedia.org/wiki/401%28k%29)A type of [retirement plan](https://en.wikipedia.org/wiki/Glossary_of_economics#retirement_plan) which is sponsored by an employer and in which the employer may match a portion of the employee's contributions. Most contributions are tax-deferred until retirement withdrawals occur.

[***403(b) Retirement Plan***](https://en.wikipedia.org/wiki/403%28b%29)*Also called****tax-sheltered annuity****(TSA)*A U.S. [tax](https://en.wikipedia.org/wiki/Tax)-advantaged [retirement](https://en.wikipedia.org/wiki/Retirement) savings plan available for [public education](https://en.wikipedia.org/wiki/Public_education) [organizations](https://en.wikipedia.org/wiki/Organization), some [non-profit](https://en.wikipedia.org/wiki/Non-profit_organization) employers (only [Internal Revenue Code](https://en.wikipedia.org/wiki/Internal_Revenue_Code) [501(c)(3)](https://en.wikipedia.org/wiki/501%28c%29%283%29) organizations), cooperative hospital service organizations, and [self-employed](https://en.wikipedia.org/wiki/Self-employed) [ministers](https://en.wikipedia.org/wiki/Minister_of_religion) in the [United States](https://en.wikipedia.org/wiki/United_States).

## A

[***antitrust law***](https://en.wikipedia.org/wiki/Competition_law)*Also called a****competition law****or****anti-monopoly law****.*Any law that promotes or seeks to maintain [market competition](https://en.wikipedia.org/wiki/Market_competition) by regulating [anti-competitive](https://en.wikipedia.org/wiki/Anti-competitive) conduct by companies. Competition law is implemented through public and private enforcement.It is also known as "[antitrust law](https://en.wikipedia.org/wiki/United_States_antitrust_law)" in the [United States](https://en.wikipedia.org/wiki/United_States) for historical reasons and as "anti-[monopoly](https://en.wikipedia.org/wiki/Glossary_of_economics#monopoly) law" in [China](https://en.wikipedia.org/wiki/China)and [Russia](https://en.wikipedia.org/wiki/Russia).

[***average fixed cost***](https://en.wikipedia.org/wiki/Average_fixed_cost)The [fixed costs](https://en.wikipedia.org/wiki/Glossary_of_economics#fixed_cost) (FC) of production divided by the quantity (Q) of [output](https://en.wikipedia.org/wiki/Glossary_of_economics#output) produced. Fixed costs are those costs that must be incurred in fixed quantity regardless of the level of output produced.

[***average variable cost***](https://en.wikipedia.org/wiki/Average_variable_cost)A firm's [variable costs](https://en.wikipedia.org/wiki/Glossary_of_economics#variable_cost) (labor, electricity, etc.) divided by the quantity of [output](https://en.wikipedia.org/wiki/Glossary_of_economics#output) produced. Variable costs are those costs which vary with the output.

## B

[***balance of payments***](https://en.wikipedia.org/wiki/Balance_of_payments)A record or summary of all economic transactions between the residents of a country and the rest of the world in a particular period of time (e.g., over a quarter of a year or, more commonly, over a year). These transactions are made by individuals, firms and government bodies. Thus, the balance of payments includes all external visible and non-visible transactions of a country.

[***balanced budget***](https://en.wikipedia.org/wiki/Balanced_budget)A [budget](https://en.wikipedia.org/wiki/Glossary_of_economics#budget), particularly that of a government, in which [revenues](https://en.wikipedia.org/wiki/Glossary_of_economics#revenue) are equal to [expenditures](https://en.wikipedia.org/wiki/Glossary_of_economics#expenditure). Thus, neither a [budget deficit](https://en.wikipedia.org/wiki/Glossary_of_economics#budget_deficit) nor a [budget surplus](https://en.wikipedia.org/wiki/Glossary_of_economics#budget_surplus) exists (the accounts "balance").

[***bank***](https://en.wikipedia.org/wiki/Bank)A financial institution that accepts [deposits](https://en.wikipedia.org/wiki/Glossary_of_economics#deposit_account) from the public and creates [credit](https://en.wikipedia.org/wiki/Glossary_of_economics#demand_deposit) and issues loans.

[***bank rate***](https://en.wikipedia.org/wiki/Bank_rate)The rate of interest which a central bank charges on its loans and advances to a commercial bank.

[***bankruptcy***](https://en.wikipedia.org/wiki/Bankruptcy)The inability to pay [debt](https://en.wikipedia.org/wiki/Glossary_of_economics#debt) due to loss of income, increased spending, or an unforeseen financial crisis.

[***barter***](https://en.wikipedia.org/wiki/Barter)In [trade](https://en.wikipedia.org/wiki/Glossary_of_economics#trade), a system of [exchange](https://en.wikipedia.org/wiki/Glossary_of_economics#exchange) in which participants in a [transaction](https://en.wikipedia.org/wiki/Glossary_of_economics#transaction) directly exchange [goods](https://en.wikipedia.org/wiki/Glossary_of_economics#good) or [services](https://en.wikipedia.org/wiki/Glossary_of_economics#service) for other goods or services without using a [medium of exchange](https://en.wikipedia.org/wiki/Glossary_of_economics#medium_of_exchange), such as [money](https://en.wikipedia.org/wiki/Glossary_of_economics#money).

[***bond***](https://en.wikipedia.org/wiki/Bond_%28finance%29)The most common types of bonds include [municipal bonds](https://en.wikipedia.org/wiki/Municipal_bond) and [corporate bonds](https://en.wikipedia.org/wiki/Corporate_bond). The bond is a [debt](https://en.wikipedia.org/wiki/Glossary_of_economics#debt) [security](https://en.wikipedia.org/wiki/Glossary_of_economics#security), under which the issuer owes the holders a debt and (depending on the terms of the bond) is obliged to pay them [interest](https://en.wikipedia.org/wiki/Glossary_of_economics#interest) (the [coupon](https://en.wikipedia.org/wiki/Glossary_of_economics#coupon)) or to repay the principal at a later date, termed the [maturity](https://en.wikipedia.org/wiki/Glossary_of_economics#maturity) date.

[***break-even***](https://en.wikipedia.org/wiki/Break-even_%28economics%29)point at which total [cost](https://en.wikipedia.org/wiki/Glossary_of_economics#cost) and total [revenue](https://en.wikipedia.org/wiki/Glossary_of_economics#revenue) are equal, i.e. "even". There is no net loss or gain, and one has "broken even", though [opportunity costs](https://en.wikipedia.org/wiki/Glossary_of_economics#opportunity_cost) have been paid and [capital](https://en.wikipedia.org/wiki/Glossary_of_economics#capital) has received the risk-adjusted, expected return. In short, all costs that must be paid are paid, and there is neither profit nor loss. (Remember the pizza at Costco…they had to sell 2 slices to “break even” & any slices sold after 2 slices was profit.)

[***budget deficit***](https://en.wikipedia.org/wiki/Deficit_spending)The amount by which spending exceeds [revenue](https://en.wikipedia.org/wiki/Glossary_of_economics#revenue) over a particular period of time; it is the opposite of [budget surplus](https://en.wikipedia.org/wiki/Glossary_of_economics#budget_surplus). The term may be applied to the budget of a government, private company, or individual.

[***budget surplus***](https://en.wikipedia.org/wiki/Budget_surplus)A budget's revenues in excess of its expenditures.

## C

[***capital***](https://en.wikipedia.org/wiki/Capital_%28economics%29)Any asset that can enhance one's power to perform economically useful work…money…property etc.

[***capitalism***](https://en.wikipedia.org/wiki/Capitalism)is an economic and social system in which the means of production, capital goods, and land are privately owned.

[***Certificate of Deposit***](https://en.wikipedia.org/wiki/Certificate_of_Deposit)**(CD)** A savings instrument that usually earns more [interest](https://en.wikipedia.org/wiki/Glossary_of_economics#interest) than a savings account but is bound by limits set within a contract.

[***commerce***](https://en.wikipedia.org/wiki/Commerce)Relates to "the exchange of [goods and services](https://en.wikipedia.org/wiki/Goods_and_services), especially on a large scale".[[67]](https://en.wikipedia.org/wiki/Glossary_of_economics#cite_note-67) It includes legal, economic, political, social, cultural and technological [systems](https://en.wikipedia.org/wiki/System) that operate in a country or in [international trade](https://en.wikipedia.org/wiki/International_trade).

[***commodity***](https://en.wikipedia.org/wiki/Commodity)An economic good or service that has full or substantial [fungibility](https://en.wikipedia.org/wiki/Fungibility): that is, the market treats instances of the good as equivalent or nearly so with no regard to who produced them.[[68]](https://en.wikipedia.org/wiki/Glossary_of_economics#cite_note-68)

[***communism***](https://en.wikipedia.org/wiki/Communism) is a political ideology and movement with the ultimate aim of achieving a communist society in which the government owns all the factors of production, and the three key questions are answered by the government; what will be produced, who will produce it and who will consume it.

[***complementary goods***](https://en.wikipedia.org/wiki/Complementary_goods)[Goods](https://en.wikipedia.org/wiki/Glossary_of_economics#good) that are bought and used together.

[***compound interest***](https://en.wikipedia.org/wiki/Compound_interest)The addition of [interest](https://en.wikipedia.org/wiki/Glossary_of_economics#interest) to the principal sum of a [loan](https://en.wikipedia.org/wiki/Glossary_of_economics#loan) or [deposit](https://en.wikipedia.org/wiki/Glossary_of_economics#deposit); it is often interpreted as "interest on interest". Compound interest is the result of reinvesting interest, rather than paying it out, so that interest in the next period is then earned on the principal sum plus any previously accumulated interest. Contrast [*simple interest*](https://en.wikipedia.org/wiki/Glossary_of_economics#simple_interest).

[***consumer***](https://en.wikipedia.org/wiki/Consumer)A member of a household that spends on goods and services.

[***corporation***](https://en.wikipedia.org/wiki/Corporation)A type of business organization owned by many people but treated by law as though it were an individual person; it can own property, pay taxes, make contracts, and contribute to political causes.

[***cost***](https://en.wikipedia.org/wiki/Cost)The value of [money](https://en.wikipedia.org/wiki/Glossary_of_economics#money) that is used up to produce a [good](https://en.wikipedia.org/wiki/Glossary_of_economics#good) or deliver a [service](https://en.wikipedia.org/wiki/Glossary_of_economics#service),

[***cost of living***](https://en.wikipedia.org/wiki/Cost_of_living)The [cost](https://en.wikipedia.org/wiki/Glossary_of_economics#cost) of maintaining a certain [standard of living](https://en.wikipedia.org/wiki/Standard_of_living). Changes in the cost of living over time are often operationalized in a [cost-of-living index](https://en.wikipedia.org/wiki/Cost-of-living_index). Cost of living calculations are also used to compare the cost of maintaining a certain standard of living in different geographic areas.

[***credit bureau***](https://en.wikipedia.org/wiki/Credit_bureau)An agency that tracks the [credit](https://en.wikipedia.org/wiki/Glossary_of_economics#credit), employment, and housing history of [consumers](https://en.wikipedia.org/wiki/Glossary_of_economics#consumer) and assigns them a [credit score](https://en.wikipedia.org/wiki/Glossary_of_economics#credit_score).

[***credit card***](https://en.wikipedia.org/wiki/Credit_card)A [payment card](https://en.wikipedia.org/wiki/Payment_card) issued to users (cardholders) to enable the cardholder to pay a [merchant](https://en.wikipedia.org/wiki/Glossary_of_economics#merchant) for [goods](https://en.wikipedia.org/wiki/Glossary_of_economics#good) and [services](https://en.wikipedia.org/wiki/Glossary_of_economics#service) based on the cardholder's promise to the [card issuer](https://en.wikipedia.org/wiki/Credit_card_issuer) to pay them at a later time for the cost of the good or service plus other agreed-upon fees and charges.

[***credit score***](https://en.wikipedia.org/wiki/Credit_score)A numerical value assigned to a person's potential ability to repay [debt](https://en.wikipedia.org/wiki/Glossary_of_economics#debt). A good credit score in the United States is approximately 750.

[***credit rating***](https://en.wikipedia.org/wiki/Credit_rating)An evaluation of the [credit risk](https://en.wikipedia.org/wiki/Credit_risk) of a prospective [debtor](https://en.wikipedia.org/wiki/Glossary_of_economics#debtor) (an individual, business, company, or government), predicting their ability to pay back the debt, and an implicit forecast of the likelihood of the debtor [defaulting](https://en.wikipedia.org/wiki/Default_%28finance%29) on the debt.

[***credit union***](https://en.wikipedia.org/wiki/Credit_union)A [financial institution](https://en.wikipedia.org/wiki/Glossary_of_economics#financial_institution) that is usually local and owned by its members.

[***creditor***](https://en.wikipedia.org/wiki/Creditor)A person or a firm that lends money to a [borrower](https://en.wikipedia.org/wiki/Glossary_of_economics#debtor).

[***currency***](https://en.wikipedia.org/wiki/Currency)[Money](https://en.wikipedia.org/wiki/Glossary_of_economics#money) in any form when in actual use or circulation as a [medium of exchange](https://en.wikipedia.org/wiki/Glossary_of_economics#medium_of_exchange), especially circulating [banknotes](https://en.wikipedia.org/wiki/Banknote) and [coins](https://en.wikipedia.org/wiki/Coin).A more general definition is that a currency is a "[system](https://en.wikipedia.org/wiki/Glossary_of_economics#monetary_system)" of money (monetary units) in common use, especially within a particular nation.

[***cyclical unemployment***](https://en.wikipedia.org/wiki/Cyclical_unemployment)[Unemployment](https://en.wikipedia.org/wiki/Glossary_of_economics#unemployment) resulting from the [business cycle](https://en.wikipedia.org/wiki/Glossary_of_economics#business_cycle). It is unpredictable.

## D

[***debt***](https://en.wikipedia.org/wiki/Debt)Total money owed.

[***debtor***](https://en.wikipedia.org/wiki/Debtor)An entity that owes a [debt](https://en.wikipedia.org/wiki/Glossary_of_economics#debt) to another entity. The entity may be an individual, a firm, a government, a company, or another [legal person](https://en.wikipedia.org/wiki/Legal_person). The [counterparty](https://en.wikipedia.org/wiki/Counterparty) to which the debt is owed is called a [creditor](https://en.wikipedia.org/wiki/Glossary_of_economics#creditor). When the counterparty of the arrangement is a [bank](https://en.wikipedia.org/wiki/Glossary_of_economics#bank), the debtor is more often referred to as a [borrower](https://en.wikipedia.org/wiki/Glossary_of_economics#borrower).

[***deficit spending***](https://en.wikipedia.org/wiki/Deficit_spending)The amount by which spending exceeds [revenue](https://en.wikipedia.org/wiki/Glossary_of_economics#revenue) over a particular period of time; it is the opposite of [budget surplus](https://en.wikipedia.org/wiki/Glossary_of_economics#budget_surplus). The term may be applied to the budget of a government, private company, or individual.

[***demand***](https://en.wikipedia.org/wiki/Demand)The whole range of quantities that a person or group with a given income and preferences demands at various prices.

[***depreciation***](https://en.wikipedia.org/wiki/Depreciation)The gradual decrease in the economic value of the [capital stock](https://en.wikipedia.org/wiki/Glossary_of_economics#capital_stock) of a firm, nation, or other entity, either through physical depreciation, obsolescence, or changes in the demand for the services of the capital in question.

[***depression***](https://en.wikipedia.org/wiki/Depression_%28economics%29)A sustained, long-term decrease in economic activity in one or more economies. It is a more severe economic downturn than a [recession](https://en.wikipedia.org/wiki/Glossary_of_economics#recession), which is a slowdown in economic activity over the course of a normal [business cycle](https://en.wikipedia.org/wiki/Glossary_of_economics#business_cycle).

[***deregulation***](https://en.wikipedia.org/wiki/Deregulation)The process of removing or reducing economic regulations, or the total repeal of governmental [regulation of the economy](https://en.wikipedia.org/wiki/Economic_regulation).

[***discretionary income***](https://en.wikipedia.org/wiki/Discretionary_income)Money available after one pays [taxes](https://en.wikipedia.org/wiki/Glossary_of_economics#tax).

[***disposable income***](https://en.wikipedia.org/wiki/Disposable_and_discretionary_income)Money available after one pays [taxes](https://en.wikipedia.org/wiki/Glossary_of_economics#tax) and obligatory bill payments.

## E

[***economic development***](https://en.wikipedia.org/wiki/Economic_development)Broad improvement in the economic well-being or [quality of life](https://en.wikipedia.org/wiki/Quality_of_life) of a nation, region, or community, often but not necessarily as a consequence of [economic growth](https://en.wikipedia.org/wiki/Glossary_of_economics#economic_growth).

[***economic equilibrium***](https://en.wikipedia.org/wiki/Economic_equilibrium)A situation in which economic forces such as [supply and demand](https://en.wikipedia.org/wiki/Glossary_of_economics#supply_and_demand) are balanced and in which, in the absence of external influences, the values of economic variables do not change.

[***economic growth***](https://en.wikipedia.org/wiki/Economic_growth)An increase in the inflation-adjusted [market value](https://en.wikipedia.org/wiki/Glossary_of_economics#market_value) of the goods and services produced by an [economy](https://en.wikipedia.org/wiki/Glossary_of_economics#economy) over time. It is conventionally measured as the percent rate of increase in real [gross domestic product](https://en.wikipedia.org/wiki/Glossary_of_economics#gross_domestic_product), or real GDP.

[***economic indicator***](https://en.wikipedia.org/wiki/Economic_indicator)Any measurable unit of the economy which helps economists assess the past or make predictions about the future, such as [unemployment rate](https://en.wikipedia.org/wiki/Glossary_of_economics#unemployment_rate) and [gross domestic product](https://en.wikipedia.org/wiki/Glossary_of_economics#gross_domestic_product).

[***economics***](https://en.wikipedia.org/wiki/Economics)The [social science](https://en.wikipedia.org/wiki/Social_science) that studies the [production](https://en.wikipedia.org/wiki/Glossary_of_economics#production), [distribution](https://en.wikipedia.org/wiki/Glossary_of_economics#distribution), and [consumption](https://en.wikipedia.org/wiki/Glossary_of_economics#consumption) of [goods and services](https://en.wikipedia.org/wiki/Glossary_of_economics#goods_and_services) within [economies](https://en.wikipedia.org/wiki/Glossary_of_economics#economy). Economics is the study of choices.

[***economist***](https://en.wikipedia.org/wiki/Economist)A practitioner in the discipline of [economics](https://en.wikipedia.org/wiki/Glossary_of_economics#economics).

[***economy***](https://en.wikipedia.org/wiki/Economy)An area of the [production](https://en.wikipedia.org/wiki/Glossary_of_economics#production), [distribution](https://en.wikipedia.org/wiki/Glossary_of_economics#distribution), [trade](https://en.wikipedia.org/wiki/Glossary_of_economics#trade), and [consumption](https://en.wikipedia.org/wiki/Glossary_of_economics#consumption) of [goods](https://en.wikipedia.org/wiki/Glossary_of_economics#good) and [services](https://en.wikipedia.org/wiki/Glossary_of_economics#service) by different agents. In its broadest sense, an economy may be defined as "a social domain that emphasizes the practices, discourses, and material expressions associated with the production, use, and management of resources".[[117]](https://en.wikipedia.org/wiki/Glossary_of_economics#cite_note-117)

[***entrepreneurship***](https://en.wikipedia.org/wiki/Entrepreneurship)The efforts by a person, known as an **entrepreneur**, in organizing resources for the creation of something new or taking risks to create new innovations and production.

[***equal opportunity***](https://en.wikipedia.org/wiki/Equal_opportunity)A state of fairness in which job applicants are treated similarly, unhampered by artificial barriers or prejudices or preferences, except when particular distinctions can be explicitly justified.[[120]](https://en.wikipedia.org/wiki/Glossary_of_economics#cite_note-120)

[***equilibrium***](https://en.wiktionary.org/wiki/Equilibrium)The point at which quantity demanded and quantity supplied are equal and both consumer and producer are satisfied.

[***equilibrium price***](https://en.wikipedia.org/wiki/Equilibrium_price)The [market price](https://en.wikipedia.org/wiki/Glossary_of_economics#market_price) at which both the supplier and consumer will trade and both are satisfied.

[***equity***](https://en.wikipedia.org/wiki/Equity_%28economics%29)*Also called****economic equality****.*The concept or idea of fairness in economics, particularly in regard to [taxation](https://en.wikipedia.org/wiki/Glossary_of_economics#taxation) or [welfare economics](https://en.wikipedia.org/wiki/Glossary_of_economics#welfare_economics)… to provide all citizens with a basic and equal minimum of income, goods, and services or to increase funds and commitment for redistribution.

## F

[***factors of production***](https://en.wikipedia.org/wiki/Factors_of_production)Inputs (resources) used to create goods and services, including land, labor, [capital](https://en.wikipedia.org/wiki/Glossary_of_economics#capital), and entrepreneurship.

[***Federal Reserve System***](https://en.wikipedia.org/wiki/Federal_Reserve_System)*Often simply the****Federal Reserve****or****the Fed****.* The [central bank](https://en.wikipedia.org/wiki/Glossary_of_economics#central_bank) of the [United States](https://en.wikipedia.org/wiki/United_States), created by Congress in 1913 and charged with the duty of regulating the [money supply](https://en.wikipedia.org/wiki/Glossary_of_economics#money_supply) and monitoring its member [banks](https://en.wikipedia.org/wiki/Glossary_of_economics#bank).

[***finance***](https://en.wikipedia.org/wiki/Finance)The study of [money](https://en.wikipedia.org/wiki/Glossary_of_economics#money) and how it is used. Specifically, it deals with the questions of how an individual, company, or government acquires the money needed—called [capital](https://en.wikipedia.org/wiki/Glossary_of_economics#capital) in the company context—and how they then spend or invest that money.

[***financial institution***](https://en.wikipedia.org/wiki/Financial_institution)Any firm, such as a [bank](https://en.wikipedia.org/wiki/Glossary_of_economics#bank), that is in the business of holding money for those who save and lending money to those who need [loans](https://en.wikipedia.org/wiki/Glossary_of_economics#loan).

[***financial planning***](https://en.wikipedia.org/wiki/Financial_planning)A series of steps used by a person or a firm to achieve a financial goal.

[***free market***](https://en.wikipedia.org/wiki/Free_market)An [economic system](https://en.wikipedia.org/wiki/Glossary_of_economics#economic_system) in which the [prices](https://en.wikipedia.org/wiki/Glossary_of_economics#price) for [goods and services](https://en.wikipedia.org/wiki/Goods_and_services) are self-regulated by the [open market](https://en.wikipedia.org/wiki/Glossary_of_economics#open_market) and by [consumers](https://en.wikipedia.org/wiki/Glossary_of_economics#consumer). In a free market, the laws and forces of [supply and demand](https://en.wikipedia.org/wiki/Supply_and_demand) are free from any intervention by a [government](https://en.wikipedia.org/wiki/Forms_of_government) or other authority and from all forms of economic privilege, [monopolies](https://en.wikipedia.org/wiki/Glossary_of_economics#monopoly), and [artificial scarcities](https://en.wikipedia.org/wiki/Glossary_of_economics#artificial_scarcity).

[***free trade***](https://en.wikipedia.org/wiki/Free_trade)[Trade](https://en.wikipedia.org/wiki/Glossary_of_economics#trade) between countries that occurs with few or no trade barriers.

[***frictional unemployment***](https://en.wikipedia.org/wiki/Frictional_unemployment)Unemployment that is a result of workers moving from one job to another, as opposed to [structural unemployment](https://en.wikipedia.org/wiki/Glossary_of_economics#structural_unemployment).

## G

[***government revenue***](https://en.wikipedia.org/wiki/Government_revenue)The total [revenue](https://en.wikipedia.org/wiki/Glossary_of_economics#revenue) received by all three levels of government (federal, state, and local) in the form of [taxes](https://en.wikipedia.org/wiki/Glossary_of_economics#tax) and [tariffs](https://en.wikipedia.org/wiki/Glossary_of_economics#tariff).

[***government spending***](https://en.wikipedia.org/wiki/Government_spending)The total [expenditure](https://en.wikipedia.org/wiki/Glossary_of_economics#expenditure) made by all three levels of government (federal, state, and local) for public services.

[***gross domestic product***](https://en.wikipedia.org/wiki/Gross_domestic_product)**(GDP)** The value of all goods and services produced in the economy in a given period of time, usually a quarter or a year.

**guns versus butter** demonstrates the relationship between a nation's investment in [defense](https://en.wikipedia.org/wiki/Military_budget) and [*civilian*](https://en.wikipedia.org/wiki/Civilian)[*goods*](https://en.wikipedia.org/wiki/Goods).  Every society must ask 3 questions: What is going to be produced, who is going to produce it & who is going to consume it.

## H

[***household***](https://en.wikipedia.org/wiki/Household)The sector of the economy which purchases goods from the product market and sells labor, land, and entrepreneurship ability to the factor market in the circular flow market.

[***housing starts***](https://en.wikipedia.org/wiki/Housing_starts)The number of new houses being built during a period of time.

[***human capital***](https://en.wikipedia.org/wiki/Human_capital)The knowledge and skills that people use to help them produce [output](https://en.wikipedia.org/wiki/Glossary_of_economics#output).

## I

[***import***](https://en.wikipedia.org/wiki/Import) An **import** is the receiving country in an [export](https://en.wikipedia.org/wiki/Export) from the sending country. Any item brought in to a country from another country is an import…when it leaves the other country, it is an export…same item…different terms…

[***income***](https://en.wikipedia.org/wiki/Income)For [households](https://en.wikipedia.org/wiki/Household) and individuals in the [United States](https://en.wikipedia.org/wiki/United_States), income is defined by tax law as a sum that includes any [wage](https://en.wikipedia.org/wiki/Wage), [salary](https://en.wikipedia.org/wiki/Salary), [profit](https://en.wikipedia.org/wiki/Profit_%28accounting%29), [interest](https://en.wikipedia.org/wiki/Interest) payment, [rent](https://en.wikipedia.org/wiki/Renting), or other form of earnings received in a calendar year.

[***income effect***](https://en.wikipedia.org/wiki/Income_effect)The change in [consumption](https://en.wikipedia.org/wiki/Glossary_of_economics#consumption) resulting from a change in [income](https://en.wikipedia.org/wiki/Glossary_of_economics#income)….the more you make the more you spend…the less you make the less you spend…

[***Individual Retirement Account***](https://en.wikipedia.org/wiki/Individual_Retirement_Account)**(IRA)** A retirement (savings) instrument that allows a person to save money through time while deferring [taxes](https://en.wikipedia.org/wiki/Glossary_of_economics#tax) on that income until retirement. **YOU NEED TO START AN IRA AS SOON AS POSSIBLE!!!**

[***industry***](https://en.wikipedia.org/wiki/Industry_%28economics%29)A sector of the economy in which different firms produce similar or identical goods or services.

[***inflation***](https://en.wikipedia.org/wiki/Inflation)When the overall level of prices in the economy is rising.

[***interest***](https://en.wikipedia.org/wiki/Interest)is payment from a [borrower](https://en.wikipedia.org/wiki/Debtor) or deposit-taking financial institution to a [lender](https://en.wikipedia.org/wiki/Lender) or depositor of an amount above repayment of the [principal sum](https://en.wikipedia.org/wiki/Principal_sum) (that is, the amount borrowed), at a particular rate.

[***interest rate***](https://en.wikipedia.org/wiki/Interest_rate)The price you have to pay to borrow money.

[***investment***](https://en.wikipedia.org/wiki/Investment)Any increase in the economy's stock of [capital](https://en.wikipedia.org/wiki/Glossary_of_economics#capital).

## J

[***job hunting***](https://en.wikipedia.org/wiki/Job_hunting)is the act of looking for [employment](https://en.wikipedia.org/wiki/Employment), due to [unemployment](https://en.wikipedia.org/wiki/Unemployment), [underemployment](https://en.wikipedia.org/wiki/Underemployment), discontent with a current position, or a desire for a better position.

[***just price***](https://en.wikipedia.org/wiki/Just_price)A theory of ethics which attempts to set standards of fairness for economic transactions.

## K

[***Keynesian economics***](https://en.wikipedia.org/wiki/Keynesian_economics)A diverse set of [macroeconomic](https://en.wikipedia.org/wiki/Glossary_of_economics#macroeconomics) theories about how in the [short run](https://en.wikipedia.org/wiki/Glossary_of_economics#short_run) (and especially during [recessions](https://en.wikipedia.org/wiki/Glossary_of_economics#recession)) economic [output](https://en.wikipedia.org/wiki/Glossary_of_economics#output) can be strongly influenced by the total amount of spending that occurs within an economy, known as [aggregate demand](https://en.wikipedia.org/wiki/Glossary_of_economics#aggregate_demand).

## L

[***labor***](https://en.wikipedia.org/wiki/Wage_labour) usually referred to as **paid work**, **paid employment**, or **paid labor**, refers to the [socioeconomic](https://en.wikipedia.org/wiki/Socioeconomics) relationship between a [worker](https://en.wikipedia.org/wiki/Workforce) and an [employer](https://en.wikipedia.org/wiki/Employment) in which the worker sells their labor power under a formal or informal [employment contract](https://en.wikipedia.org/wiki/Employment_contract).

[***labor rights***](https://en.wikipedia.org/wiki/Labor_rights)or **workers' rights** are both [legal rights](https://en.wikipedia.org/wiki/Legal_rights) and [human rights](https://en.wikipedia.org/wiki/Human_rights) relating to [labor relations](https://en.wikipedia.org/wiki/Labor_relations) between [workers](https://en.wikipedia.org/wiki/Workers) and [employers](https://en.wikipedia.org/wiki/Employers). These rights are codified in national and international [labor and employment law](https://en.wikipedia.org/wiki/Labor_and_employment_law). In general, these rights influence working conditions in the relations of employment.

[***laissez-faire***](https://en.wikipedia.org/wiki/Laissez-faire)is a type of [economic system](https://en.wikipedia.org/wiki/Economic_system) in which transactions between private groups of people are free from any form of [economic interventionism](https://en.wikipedia.org/wiki/Economic_interventionism) (such as [subsidies](https://en.wikipedia.org/wiki/Subsidy) or regulations) aka “government hands off business”

[***law of demand***](https://en.wikipedia.org/wiki/Law_of_demand)An economic rule stating that quantity [demanded](https://en.wikipedia.org/wiki/Glossary_of_economics#demand) and [price](https://en.wikipedia.org/wiki/Glossary_of_economics#price) move in opposite directions, i.e. as demand increases, price decreases, and vice versa.

[***law of supply***](https://en.wikipedia.org/wiki/Law_of_supply)is a fundamental principle of [economic theory](https://en.wikipedia.org/wiki/Economics#Theory) which states that, keeping other factors constant, an increase in price results in an increase in quantity [supplied](https://en.wikipedia.org/wiki/Supply_%28economics%29).[[1]](https://en.wikipedia.org/wiki/Law_of_supply#cite_note-1) In other words, there is a direct relationship between price and quantity: quantities respond in the same direction as price changes. This means that producers are willing to offer more of a product for sale on the [market](https://en.wikipedia.org/wiki/Market_%28economics%29) at higher prices by increasing production as a way of increasing profits.

[***lease***](https://en.wikipedia.org/wiki/Lease)is a [contractual](https://en.wikipedia.org/wiki/Contract) arrangement calling for the user (referred to as the *lessee*) to pay the owner (referred to as the [*lessor*](https://en.wikipedia.org/wiki/Lessor_%28leasing%29)) for the use of an [asset](https://en.wikipedia.org/wiki/Asset).[[1]](https://en.wikipedia.org/wiki/Lease#cite_note-1) [Property](https://en.wikipedia.org/wiki/Property), buildings and vehicles are common assets that are leased.

[***liability***](https://en.wikipedia.org/wiki/Liability_%28financial_accounting%29)Financial responsibility for something.

[***loan***](https://en.wikipedia.org/wiki/Loan)is the transfer of money by one party to another with an agreement to pay it back. The recipient, or borrower, incurs a [debt](https://en.wikipedia.org/wiki/Debt) and is usually required to pay [interest](https://en.wikipedia.org/wiki/Interest) for the use of the money.

[***luxury good***](https://en.wikipedia.org/wiki/Luxury_goods) is a [good](https://en.wikipedia.org/wiki/Good_%28economics%29) that is not “necessary for survival”…needs vs. wants…a luxury good would be something like a Rolex…or a $50k car instead of a $30k car.

## M

[***macroeconomics***](https://en.wikipedia.org/wiki/Macroeconomics)The study of the economy as a whole, concentrating on economy-wide factors such as interest rates, inflation, and unemployment. Macroeconomics also encompasses the study of economic growth and how governments use monetary and fiscal policy to try to moderate the harm caused by recessions.

[***marginal cost***](https://en.wikipedia.org/wiki/Marginal_cost)The additional increase in total cost when one more unit of output is produced.

[***market***](https://en.wikipedia.org/wiki/Market_%28economics%29)is a composition of [systems](https://en.wikipedia.org/wiki/System), [institutions](https://en.wikipedia.org/wiki/Institution), procedures, [social relations](https://en.wikipedia.org/wiki/Social_relation) or [infrastructures](https://en.wikipedia.org/wiki/Infrastructure) whereby parties engage in [exchange](https://en.wikipedia.org/wiki/Exchange_%28economics%29).

[***mercantilism***](https://en.wikipedia.org/wiki/Mercantilism)is a [nationalist](https://en.wikipedia.org/wiki/Economic_nationalism) [economic policy](https://en.wikipedia.org/wiki/Economic_policy) that is designed to maximize the exports and minimize the imports for an economy….it also has to do with political power…the more money a country has the more power it has…so countries sought to have as many colonies as possible so they could export their natural resources to turn them in to a finished product to sell back to their colonies (usually) at a huge profit.

[***microeconomics***](https://en.wikipedia.org/wiki/Microeconomics)the study of the economy based on individual people and individual businesses; not as a whole.

[***minimum wage***](https://en.wikipedia.org/wiki/Minimum_wage) is the lowest [remuneration](https://en.wikipedia.org/wiki/Remuneration) (amount) that employers can legally pay their employees. [Most countries had introduced minimum wage](https://en.wikipedia.org/wiki/List_of_countries_by_minimum_wage) legislation by the end of the 20th century.[[2]](https://en.wikipedia.org/wiki/Minimum_wage#cite_note-ILO_2006-2) Because minimum wages increase the [cost of labor](https://en.wikipedia.org/wiki/Cost_of_labor), companies often try to avoid minimum wage laws by using [gig workers](https://en.wikipedia.org/wiki/Gig_worker), by moving labor to locations with lower or nonexistent minimum wages, or by [automating job functions](https://en.wikipedia.org/wiki/Automation).

[***mixed economy***](https://en.wikipedia.org/wiki/Mixed_economy)An economic system blending elements of a market economy with elements of a planned economy, free markets with state interventionism, or private enterprise with public enterprise.

[***money***](https://en.wikipedia.org/wiki/Money)Anything customarily used as a [medium of exchange](https://en.wikipedia.org/wiki/Glossary_of_economics#medium_of_exchange), a [unit of accounting](https://en.wikipedia.org/wiki/Glossary_of_economics#unit_of_account), and a [store of value](https://en.wikipedia.org/wiki/Glossary_of_economics#store_of_value).

[***monopoly***](https://en.wikipedia.org/wiki/Monopoly)A firm with no competitors in its industry. A monopoly firm produces less output, has higher costs, and sells its output for a higher price than it would if constrained by competition.

[***mortgage***](https://en.wikipedia.org/wiki/Mortgage)is a [loan](https://en.wikipedia.org/wiki/Loan) used either by purchasers of [real property](https://en.wikipedia.org/wiki/Real_property) to raise funds to buy real estate, or by existing property owners to raise funds for any purpose while putting a [lien](https://en.wikipedia.org/wiki/Lien) on the property being mortgaged.

[***mutual fund***](https://en.wikipedia.org/wiki/Mutual_fund) is an [investment fund](https://en.wikipedia.org/wiki/Investment_fund) that pools money from many investors to purchase [securities](https://en.wikipedia.org/wiki/Security_%28finance%29).

## N

[***national tax***](https://en.wikipedia.org/wiki/National_tax)Any [tax](https://en.wikipedia.org/wiki/Glossary_of_economics#tax) paid to a national or federal government, e.g. income tax, tariffs, and social security taxes.

[***national wealth***](https://en.wikipedia.org/wiki/National_wealth)The total value of [capital](https://en.wikipedia.org/wiki/Glossary_of_economics#capital) and private property that is owned within a country.

[***natural monopoly***](https://en.wikipedia.org/wiki/Natural_monopoly)An industry in which one large producer can produce output at a lower cost than many small producers. It undersells its rivals and ends up as the only firm surviving in its industry.

**natural resources** are [resources](https://en.wikipedia.org/wiki/Resource) that are drawn from [nature](https://en.wikipedia.org/wiki/Nature) and used with few modifications. This includes the sources of valued characteristics such as commercial and industrial use, aesthetic value, scientific interest, and cultural value. On [Earth](https://en.wikipedia.org/wiki/Earth), it includes [sunlight](https://en.wikipedia.org/wiki/Sunlight), [atmosphere](https://en.wikipedia.org/wiki/Atmosphere), [water](https://en.wikipedia.org/wiki/Water), [land](https://en.wikipedia.org/wiki/Land), all [minerals](https://en.wikipedia.org/wiki/Mineral) along with all [vegetation](https://en.wikipedia.org/wiki/Vegetation), and [wildlife](https://en.wikipedia.org/wiki/Wildlife).

[***need***](https://en.wikipedia.org/wiki/Need)Any good or service that is fundamentally necessary for survival, such as food, clothing, and shelter.

## O

**occupation** or job, one's role in society, often a regular activity performed for payment.

[***oligopoly***](https://en.wikipedia.org/wiki/Oligopoly)An industry with only a few firms. If these firms collude, they form a [cartel](https://en.wikipedia.org/wiki/Glossary_of_economics#cartel), which may reduce output and drive up profits in the same way a [monopoly](https://en.wikipedia.org/wiki/Glossary_of_economics#monopoly) does.

[***opportunity cost***](https://en.wikipedia.org/wiki/Opportunity_cost)The value of the next best alternative thing that could have been done. It measures what is given up in order to do the most preferred thing.

## P

[***partnership***](https://en.wikipedia.org/wiki/Partnership)A business that two or more individuals own and operate together.

[***per capita***](https://en.wikipedia.org/wiki/Per_capita)A [unit of account](https://en.wikipedia.org/wiki/Glossary_of_economics#unit_of_account) per person, usually placed at the end of an [economic indicator](https://en.wikipedia.org/wiki/Glossary_of_economics#economic_indicator).

[***perfect competition***](https://en.wikipedia.org/wiki/Perfect_competition)A situation where numerous small firms producing identical products compete against each other in a given industry. Perfect competition leads to firms producing the *socially optimal output level* at the minimum possible cost per unit.

[***personal property***](https://en.wikipedia.org/wiki/Personal_property)Possessions such as jewelry, furniture, and real estate that people can amass through time.

[***physical capital***](https://en.wikipedia.org/wiki/Physical_capital)All human-made goods that are used to produce other goods and services, such as tools, machines, and buildings.

[***price***](https://en.wikipedia.org/wiki/Price)The amount of [money](https://en.wikipedia.org/wiki/Glossary_of_economics#money) it takes to buy a product or produce a product.

[***price ceiling***](https://en.wikipedia.org/wiki/Price_ceiling)A market intervention in which the government ensures that the price of a good or service stays below the free market price.

[***price index***](https://en.wikipedia.org/wiki/Price_index)A normalized average of [price](https://en.wikipedia.org/wiki/Glossary_of_economics#price) relatives for a given class of goods or services in a given region and during a given period of time. It is a statistic designed to help to compare how these price relatives, taken as a whole, differ between geographical locations or time periods. Notable price indices include [consumer price index](https://en.wikipedia.org/wiki/Glossary_of_economics#consumer_price_index), [producer price index](https://en.wikipedia.org/wiki/Glossary_of_economics#producer_price_index), and [GDP deflator](https://en.wikipedia.org/wiki/Glossary_of_economics#gDP_deflator).

[***producer***](https://en.wiktionary.org/wiki/producer)An entity, either a person or firm, which supplies goods or services.

[***producer surplus***](https://en.wikipedia.org/wiki/Economic_surplus) **T**he gain that producers receive when they can sell their output at a price higher than the minimum amount for which they are willing to make it.

[***profit***](https://en.wikipedia.org/wiki/Profit_%28economics%29)is the difference between [revenue](https://en.wikipedia.org/wiki/Revenue) that an economic entity has received from its outputs and [total costs](https://en.wikipedia.org/wiki/Total_cost) of its inputs, also known as [surplus value](https://en.wikipedia.org/wiki/Surplus_value).[[1]](https://en.wikipedia.org/wiki/Profit_%28economics%29#cite_note-1) It is equal to total revenue minus total cost, including both [explicit](https://en.wikipedia.org/wiki/Explicit_cost) and [implicit](https://en.wikipedia.org/wiki/Implicit_cost) costs.[[2]](https://en.wikipedia.org/wiki/Profit_%28economics%29#cite_note-EconDictionary-2)

[***public good***](https://en.wikipedia.org/wiki/Public_good_%28economics%29)Goods or services that cannot be profitably produced by private firms because they are impossible to provide to just one person; if you provide them to one person, you have to provide them to everybody.

## Q

**quantity demanded** The amount of a good or service that a [consumer](https://en.wikipedia.org/wiki/Glossary_of_economics#consumer) is able and willing to purchase at a given price based on their income and preferences.

**quantity supplied** The amount of a good or service that a [supplier](https://en.wikipedia.org/wiki/Glossary_of_economics#supplier) is able and willing to produce at a given market price.

[***quota***](https://en.wiktionary.org/wiki/quota)A limited quantity of a product that can be produced, imported, or exported.

## R

[***real income effect***](https://en.wikipedia.org/w/index.php?title=Real_income_effect&action=edit&redlink=1)The change in [consumption](https://en.wikipedia.org/wiki/Glossary_of_economics#consumption) resulting from a change in [income](https://en.wikipedia.org/wiki/Glossary_of_economics#income), adjusted for [inflation](https://en.wikipedia.org/wiki/Glossary_of_economics#inflation).

**real prices** How much of one kind of thing (such as hours worked) you have to give up to get a good or service, no matter what happens to *nominal prices*.

**real wages** Wages measured not in terms of money itself (as *nominal wages* are) but rather in terms of how much output that money can buy.

[***recessions***](https://en.wikipedia.org/wiki/Recession)Part of the [business cycle](https://en.wikipedia.org/wiki/Glossary_of_economics#business_cycle) during which an economy's total output falls.

[***regulation***](https://en.wikipedia.org/wiki/Regulation)Government restrictions on a business firm.

[***resource***](https://en.wikipedia.org/wiki/Resource)refers to all the materials available in our environment which are [technologically](https://en.wikipedia.org/wiki/Technology) accessible, [economically](https://en.wikipedia.org/wiki/Economics) feasible and [culturally](https://en.wikipedia.org/wiki/Culture) [sustainable](https://en.wikipedia.org/wiki/Sustainability) and help us to satisfy our needs and wants

[***retail sales***](https://en.wikipedia.org/wiki/Retail_sales)Purchases of finished goods and services by households and firms.

[***revenue***](https://en.wikipedia.org/wiki/Revenue)Total [income](https://en.wikipedia.org/wiki/Glossary_of_economics#income) from sales of output.

[***right to work law***](https://en.wikipedia.org/wiki/Right_to_work_law)A state law forbidding [labor unions](https://en.wikipedia.org/wiki/Labor_union) from forcing workers to join and pay union dues.

## S

[***saving***](https://en.wikipedia.org/wiki/Saving)is [income](https://en.wikipedia.org/wiki/Income) not spent, or deferred [consumption](https://en.wikipedia.org/wiki/Consumption_%28economics%29). Methods of saving include putting money aside in, for example, a [deposit account](https://en.wikipedia.org/wiki/Deposit_account), a [pension account](https://en.wikipedia.org/wiki/Pension), an [investment fund](https://en.wikipedia.org/wiki/Investment_fund), or as [cash](https://en.wikipedia.org/wiki/Cash).[[1]](https://en.wikipedia.org/wiki/Saving#cite_note-1) Saving also involves reducing expenditures, such as recurring [costs](https://en.wikipedia.org/wiki/Cost).

[***scarcity***](https://en.wikipedia.org/wiki/Scarcity)Any situation in which people do not have enough resources to satisfy all of their [wants](https://en.wikipedia.org/wiki/Glossary_of_economics#want). The phenomenon of scarcity is what creates the need for economics.

[***service***](https://en.wikipedia.org/wiki/Service_%28economics%29)is an act or use for which a consumer, firm, or government is [willing](https://en.wikipedia.org/wiki/Willingness_to_pay) to pay.[[1]](https://en.wikipedia.org/wiki/Service_%28economics%29#cite_note-1) Examples include work done by barbers, doctors, lawyers, mechanics, banks, insurance companies, and so on. [Public services](https://en.wikipedia.org/wiki/Public_service) are those that society (nation state, fiscal union or region) as a whole pays for.

[***shift work***](https://en.wikipedia.org/wiki/Shift_work)is an [employment](https://en.wikipedia.org/wiki/Employment) practice designed to make use of, or provide service across, all 24 hours of the clock each day of the week (often abbreviated as [*24/7*](https://en.wikipedia.org/wiki/24/7)). The practice typically sees the day divided into shifts, set periods of time during which different groups of workers perform their duties.

[***shortage***](https://en.wikipedia.org/wiki/Shortage)is a situation in which the [demand](https://en.wikipedia.org/wiki/Demand) for a [product](https://en.wikipedia.org/wiki/Product_%28business%29) or [service](https://en.wikipedia.org/wiki/Service_%28economics%29) exceeds its [supply](https://en.wikipedia.org/wiki/Supply_%28economics%29) in a [market](https://en.wikipedia.org/wiki/Market_%28economics%29).

[***social mobility***](https://en.wikipedia.org/wiki/Social_mobility)is the movement of individuals, families, households or other categories of people within or between [social strata](https://en.wikipedia.org/wiki/Social_stratification) in a society.[[1]](https://en.wikipedia.org/wiki/Social_mobility#cite_note-1) It is a change in [social status](https://en.wikipedia.org/wiki/Social_status) relative to one's current social location within a given society.

[***sole proprietorship***](https://en.wikipedia.org/wiki/Sole_proprietorship)A business owned and operated by one person.

[***standard of living***](https://en.wikipedia.org/wiki/Standard_of_living)is the level of income, comforts and services available, generally applied to a society or location, rather than to an individual.[[1]](https://en.wikipedia.org/wiki/Standard_of_living#cite_note-1) Standard of living is relevant because it is considered to contribute to an individual's [quality of life](https://en.wikipedia.org/wiki/Quality_of_life).

**state tax** Any [tax](https://en.wikipedia.org/wiki/Glossary_of_economics#tax) paid to a state government, e.g. [sales taxes](https://en.wikipedia.org/wiki/State_sales_tax), [state income tax](https://en.wikipedia.org/wiki/State_income_tax), and license plate fees.

[***store of value***](https://en.wikipedia.org/wiki/Store_of_value)  is any commodity or [asset](https://en.wikipedia.org/wiki/Asset) that would normally retain [purchasing power](https://en.wikipedia.org/wiki/Purchasing_power) into the future and is the function of the asset that can be saved, retrieved and exchanged at a later time, and be predictably useful when retrieved

[***structural unemployment***](https://en.wikipedia.org/wiki/Structural_unemployment)Unemployment created due to a decrease in demand for the skills of a worker.

[***substitute good***](https://en.wikipedia.org/wiki/Substitute_good)A product that can satisfy the utility of another.

[***substitution effect***](https://en.wikipedia.org/wiki/Substitution_effect)When consumers react to an increase in a good's price by consuming less of that good and more of other goods.

[***supply***](https://en.wikipedia.org/wiki/Supply_%28economics%29)The total amount of a certain type of [good](https://en.wikipedia.org/wiki/Glossary_of_economics#good) that has been produced and is available.

[***supply and demand***](https://en.wikipedia.org/wiki/Supply_and_demand)An economic model of markets that separates buyers from sellers and then summarizes each group’s behavior with a single line on a graph. The buyers’ behavior is captured by the *demand curve*, whereas the sellers’ behavior is captured by the *supply curve*. By putting these two curves on the same graph, economists can show how buyers and sellers interact in markets to determine how much of any particular item is going to be sold, as well as the [price](https://en.wikipedia.org/wiki/Glossary_of_economics#price) at which it is likely to be sold.

[***supply chain***](https://en.wikipedia.org/wiki/Supply_chain)is a complex [logistics](https://en.wikipedia.org/wiki/Logistics) system that consists of facilities that convert raw materials into [finished products](https://en.wikipedia.org/wiki/Finished_product) and distribute themto end consumers~the process of taking the raw materials, making them in to a product, & then distributing them to retail outlets to sell to consumers.

[***surplus***](https://en.wikipedia.org/wiki/Economic_surplus)there is too much of something which will likely cause prices to drop.

## T

[***tariff***](https://en.wikipedia.org/wiki/Tariff)A [tax](https://en.wikipedia.org/wiki/Glossary_of_economics#tax) imposed by the government of a country, on [imports](https://en.wikipedia.org/wiki/Glossary_of_economics#import) or [exports](https://en.wikipedia.org/wiki/Glossary_of_economics#export) of goods. Import duties may serve as a source of revenue for the government as well as a form of regulation of foreign trade by taxing foreign products in order to encourage or safeguard domestic industries that produce the same or similar products. Along with [import](https://en.wikipedia.org/wiki/Glossary_of_economics#import_quota) and [export quotas](https://en.wikipedia.org/wiki/Glossary_of_economics#export_quota), tariffs are among the most commonly used instruments of [protectionism](https://en.wikipedia.org/wiki/Glossary_of_economics#protectionism).

[***trade***](https://en.wikipedia.org/wiki/Trade)involves the transfer of goods and services from one person or entity to another, often in exchange for money.

**traditional economy** An economy in which production and distribution are handled along the lines of long-standing cultural traditions.

## U

[***underemployment***](https://en.wikipedia.org/wiki/Underemployment)Working at a job for which one is overqualified, or working part-time when full-time work is desired.

[***unemployment***](https://en.wikipedia.org/wiki/Unemployment)Under-utilization of any [factor of production](https://en.wikipedia.org/wiki/Glossary_of_economics#factor_of_production), most commonly referring to [labor](https://en.wikipedia.org/wiki/Glossary_of_economics#labor).

[***unskilled labor***](https://en.wikipedia.org/wiki/Unskilled_labor)[Labor](https://en.wikipedia.org/wiki/Glossary_of_economics#labor) that requires no specialized skills, education, or training to perform.

## V

[***value***](https://en.wikipedia.org/wiki/Value_%28economics%29)is a measure of the benefit provided by a [good](https://en.wikipedia.org/wiki/Goods) or [service](https://en.wikipedia.org/wiki/Service_%28economics%29) to an [economic agent](https://en.wikipedia.org/wiki/Agent_%28economics%29). It is generally measured through units of [currency](https://en.wikipedia.org/wiki/Currency), and the interpretation is therefore "what is the maximum amount of money a person is [willing and able to pay](https://en.wikipedia.org/wiki/Willingness_to_pay) for a good or service?”

[***value-added tax***](https://en.wikipedia.org/wiki/Value-added_tax)**(VAT)** It is similar to a [sales tax](https://en.wikipedia.org/wiki/Sales_tax).  Several countries add VAT to products.

## W

[***wage***](https://en.wikipedia.org/wiki/Wage)The monetary compensation (or [remuneration](https://en.wikipedia.org/wiki/Remuneration), personnel expenses, labor) paid by an [employer](https://en.wikipedia.org/wiki/Employer) to an [employee](https://en.wikipedia.org/wiki/Employee) in exchange for work done. Payment is typically calculated as a fixed amount for each task completed (a *task wage* or [piece rate](https://en.wikipedia.org/wiki/Piece_rate)), or at an hourly or daily rate ([wage labor](https://en.wikipedia.org/wiki/Wage_labour)), or based on some other easily measured quantity of work done.

[***wage labor***](https://en.wikipedia.org/wiki/Wage_labour)usually referred to as **paid work**, **paid employment**, or **paid labor**, refers to the [socioeconomic](https://en.wikipedia.org/wiki/Socioeconomics) relationship between a [worker](https://en.wikipedia.org/wiki/Workforce) and an [employer](https://en.wikipedia.org/wiki/Employment) in which the worker sells their labor power under a formal or informal [employment contract](https://en.wikipedia.org/wiki/Employment_contract).These transactions usually occur in a labor where [wages](https://en.wikipedia.org/wiki/Wage) or [salaries](https://en.wikipedia.org/wiki/Salary) are [market-determined](https://en.wikipedia.org/wiki/Market_economy)

[***wage slavery***](https://en.wikipedia.org/wiki/Wage_slavery)(or **starvation wages**) refers to the [exploitation of labor](https://en.wikipedia.org/wiki/Exploitation_of_labour) by keeping wages low or stagnant in order for a business to maximize its profits. Wage slavery can be loosely defined as a person's dependence on [wages](https://en.wikipedia.org/wiki/Wages) (or a [salary](https://en.wikipedia.org/wiki/Salary)) for their [livelihood](https://en.wikipedia.org/wiki/Livelihood), especially when wages are low, treatment and conditions are poor, and there are few chances of upward mobility

[***want***](https://en.wikipedia.org/wiki/Want)Wants are often distinguished from needs. A need is something that is necessary for survival (such as food and shelter), whereas a want is simply something that a person would like to have.

[***wealth***](https://en.wikipedia.org/wiki/Wealth)The [abundance](https://en.wikipedia.org/wiki/Abundance_%28economics%29) of [valuable](https://en.wikipedia.org/wiki/Value_%28economics%29) [financial assets](https://en.wikipedia.org/wiki/Financial_asset) or [physical possessions](https://en.wikipedia.org/wiki/Property) which can be converted into a form that can be used for [transactions](https://en.wikipedia.org/wiki/Financial_transaction)….you have enough assets & money to buy things you want.

[***welfare***](https://en.wikipedia.org/wiki/Welfare)A type of government support for the citizens of that society. Welfare may be provided to people of any income level, as with [social security](https://en.wikipedia.org/wiki/Social_security) (and is then often called a [social safety net](https://en.wikipedia.org/wiki/Social_safety_net)), but it is usually intended to ensure that people can meet their basic human needs such as food and shelter. Welfare attempts to provide a minimal level of [well-being](https://en.wikipedia.org/wiki/Well-being), usually either a free- or a subsidized-supply of certain goods and social services, such as [healthcare](https://en.wikipedia.org/wiki/Universal_healthcare), [education](https://en.wikipedia.org/wiki/Education), and [vocational training](https://en.wikipedia.org/wiki/Vocational_training).[[140]](https://en.wikipedia.org/wiki/Glossary_of_economics#cite_note-Modern_Thought_Third_Edition_1999_p._919-140)

## X

[***x-efficiency***](https://en.wikipedia.org/wiki/X-efficiency)refers to the degree of efficiency maintained by firms under conditions of imperfect competition. Efficiency in this context means a company getting the maximum outputs from its inputs, including employee productivity and manufacturing efficiency. In a highly competitive market, firms are forced to be as efficient as possible to ensure strong profits and continued existence.

[***x-inefficiency***](https://en.wikipedia.org/wiki/X-inefficiency)is a concept used in economics to describe instances where firms go through internal [inefficiency](https://en.wikipedia.org/wiki/Inefficiency) resulting in higher production costs than required for a given output. This inefficiency is a result of various factors such as outdated technology, Inefficient production processes, poor management and lack of competition resulting in lower profits and higher prices for consumers.

## Y

[***yield***](https://en.wikipedia.org/wiki/Yield_%28finance%29)In [finance](https://en.wikipedia.org/wiki/Glossary_of_economics#finance), the yield on a [security](https://en.wikipedia.org/wiki/Glossary_of_economics#security) is the amount of cash (in percentage terms) that returns to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total [return](https://en.wikipedia.org/wiki/Glossary_of_economics#return). Yield applies to various stated rates of return on stocks (common and preferred, and [convertible](https://en.wikipedia.org/wiki/Convertible_bond)), fixed income instruments (bonds, notes, bills, strips, zero coupon), and some other investment type insurance products (e.g. [annuities](https://en.wikipedia.org/wiki/Glossary_of_economics#annuity)).m

## Z

[***zero-sum game***](https://en.wikipedia.org/wiki/Zero-sum_game)In [game theory](https://en.wikipedia.org/wiki/Game_theory) and [economic theory](https://en.wikipedia.org/wiki/Economic_theory), a zero-sum game is a [mathematical representation](https://en.wikipedia.org/wiki/Mathematical_model) of a situation in which each participant's gain or loss of [utility](https://en.wikipedia.org/wiki/Utility) is exactly balanced by the losses or gains of the utility of the other participants. If the total gains of the participants are added up and the total losses are subtracted, they will sum to zero.