**Government Test #10 Study Guide**

Key Terms & People **-** Using the glossary and index (both in the back of the textbook), please define the following key terms. Be sure to study this information.

1. Inflation
2. Deflation
3. Recession
4. Fiscal policy
5. Monetary policy
6. Gross Domestic Product
7. Interest
8. Reserve requirement
9. Discount rate
10. Entitlements
11. Progressive tax
12. Regressive tax
13. Excise tax
14. Payroll tax
15. Demand-side economics
16. Supply-side economics
17. Public debt
18. Protectionism
19. Tariff
20. Globalization

Study Questions – Use your class notes to answer the following questions.

1. Define microeconomics.
2. What is the Law of Supply?
3. Draw a supply curve.
4. What are the seven non-price determinants of supply?
5. What is the Law of Demand?
6. Draw a demand curve.
7. What are the five non-price determinants of demand?
8. Describe elasticity of demand.
9. What of the three determinants of elasticity?
10. Define macroeconomics.
11. What is GDP?
12. What factors affect consumption expenditure?
13. Describe the Multiplier Effect.
14. What is the Keynesian View on Inflation? How does that relate to argument against raising minimum wage?
15. What is the Consumer Price Index?
16. How does the Bureau of Labor Statistics figure the unemployment rate?
17. What are the four types of unemployment? Give examples of each.
18. Describe the three types of inflation.
19. Draw and label a business cycle.
20. Describe fiscal policy.
21. Describe monetary policy and the tools used by the Federal Reserve.

Political Cartoons / Charts – Examine the following political cartoons / charts and answer the accompanying questions. You will be asked to perform similar tasks on the test.

p. 633 – Analyze Charts

p. 638 – Analyze Charts

p. 640 – Analyze Images

p. 645 – Analyze Charts

p. 647 – Analyze Charts

p. 648 – Read Free Trade in North America, and explain what NAFTA is, what advocates said about it, and what opponents argued.

p. 648 – Read Pros & Cons. List at least two pros and two cons of NAFTA.

p. 651 – Analyze Charts

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