

**Final Course Review- This must be completed on another piece of paper.**

- A. This Final Course review guide
- B. The online book
- C. Online video lessons
- D. Your notes
- E. After school review sessions

**1. Regardless of system, economics may be explained as the, “allocation of scarce resources that have alternative uses.” Meaning all systems attempt to direct limited resources to the most useful purpose. Explain the systems listed below and explain how they attempt allocate scarce resources that have alternative uses.**

Free Market

Command Economy

Mixed Market

**2. Which of the systems listed above best describes the American economy. Use specific and current examples to support you answer. What is the purpose of Market Regulations?**

**3. Define the basic economic concepts**

Utility

Scarcity

Opportunity Cost

Trade-offs

Cost/Benefits

Marginal analysis

External Costs

**4. The free market is a profit and loss system. Why is this important?**

Explain the importance of **profit motive and incentive** and brainstorm examples that would demonstrate profit motive. Provide examples of how the government promotes and inhibits profit motive.

Explain the importance of loss. Why is loss just as important to a free market system as profit? When if ever should the government protect people from loss?

Do you agree or disagree that people will react predictably to incentives? Give an example.

What are the traits of an entrepreneur?

**5. We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.**

According to the preamble of the Constitution where does the power of the government originate?

What are the purposes of Government set forth in the preamble of the Constitution?



8. During the Constitutional Convention our Founding Fathers reluctantly gave the Central government more power. Although our Constitution was created to provide the Central Government with more power, it is based on a set of principles that intended to prevent one person or one group from becoming too powerful. Complete the chart to help you review these principles and to gain a better understanding of how the work

Principle	Explain	Examples in history/current
<u>Popular Sovereignty</u>		
<u>Limited Government</u>		
<u>Federalism</u>		
<u>Separation of Powers</u> <u>And Checks and Balances</u>		

9. Explain the purpose of each branch

Executive

Legislative

Judicial

10. Outline how a bill becomes an Act (law). Explain the role of majority rule in the process.

**11. Outline how each branch checks and is checked by the other 2 branches. – Formal and Informal**

Executive over the Legislative

The Legislative over the Executive

The Executive over the Judicial

The Legislative over the Judicial

The Judicial over both the Executive and the Legislative

**12. Explain Judicial Review- where does the power come from and provide one example where we have seen this in practice. What is the only way for the other two branches to check judicial review? In your opinion does this violate the democratic concept of majority rules?**

**13. Diagram the Amendment process. How many formal amendments have been made to the Constitution? Do you feel that the amendment process is too difficult? Why or why not? Who has first move advantage?**

**14. Discuss the Formal and Informal division in our government. Why would the founding fathers create a system that seems to divide members of our government more than it seems to bring them together? What role have political parties played in this process?**

- [Explain the argument of unwritten powers](#)

**15. Just recently our district boundaries (district 8) were redrawn. What determines the size and the boundaries of a particular district?**

**16. Review the following cases- what amendments were in question and reactions to the court decisions**

Brown vs. the Board of Education

Tinker vs. Des Moines

Abington vs. Schemp

Roe vs. Wade

**17. Elections- complete the chart**

<b>Branch</b>	<b>How elected</b>	<b>Original Constitution Reasons why we vote This way</b>	<b>Current constituents</b>	<b>criticism</b>
<b>President</b>				
<b>HOR</b>				
<b>Senate</b>				
<b>Supreme Court</b>				

**18. Explain how an advocate for Free markets would make the argument that supply, demand, and price/wages allocate scarce resources to their most useful purpose.**

Be sure to include in your answer ideas about supply and demand, price/wage, and equilibrium.

**19. According to free market advocates what are the benefits of competition.**

Why does the government initially limit competition in the form of patents and copyrights?

What happens when patents expire?

Make a chart that explains the difference between perfect competition, monopolistic competition, oligopoly, monopoly. The chart should cover - # of firms, control over price, barriers of entry, and type of product



25. Any economist who is serious about the profession would tell you that price controls are inefficient. Explain how [price floors lead to surplus](#) and how [price ceilings lead shortages](#). Provide one example for each and explain why government officials insist on making the same error over and over again.

Note: You may want to draw supply and demand charts to illustrate surplus and shortage.

26. Explain each of [economic roles of the government](#) and provide a specific/current example. Your answer should address market failures such as imperfect competition, imperfect information, externalities, and public goods.

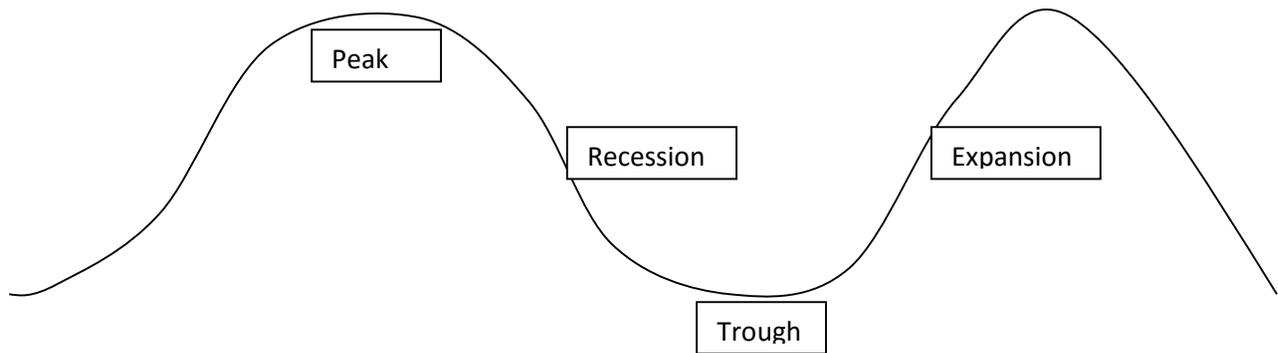
- A. Maintaining a Legal and Social Framework
- B. [Providing public goods and services](#)- provide a list of examples
- C. Maintaining competition- how
- D. Redistributing income- what type of tax system
- E. Correcting for externalities- what is an externality                      Who determines Socially optimal levels
- F. Stabilizing the Economy- explain how fiscal and monetary

27. Explain the different reasons why the Government taxes.

28. What is a market failure and give 4 examples.

29. What is an [external cost](#)?

30. The Business Cycle



	<u>GDP</u>	<u>Unemployment</u>	<u>Inflation</u>
Peak			
Recession			
Trough			
Expansion			

31. How many periods of decline does it take for economist to claim that we are in a recession?

**32. What is the Keynesian approach during the specific period and what are the projected outcomes?**

During a Recession where the goal is to increase Aggregate Demand, GDP, and reduce unemployment

Fiscal Policy	Monetary Policy
Taxes	Money Supply
Government Spending	Interest rates
Circle which part of GDP will ↑ G + C + I + NE	Circle which part of GDP will ↑ G + C + I + NE

During Expansionary period where the goal is to slow down inflation

Fiscal Policy	Monetary Policy
Taxes	Money Supply
Government Spending	Interest rates
Circle which part of GDP will ↓ G + C + I + NE	Circle which part of GDP will ↓ G + C + I + NE

**Who determines Fiscal policy?**

**Who determines Monetary Policy?**

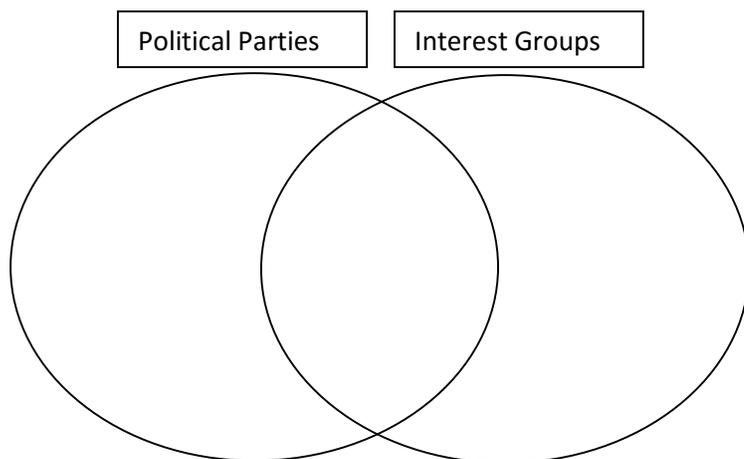
**33. What are the two main ways that the government raises revenue?**

**34. Define and explain the differences between deficit spending and debt.**

**35. Define and explain how inflation impacts people. How is it possible that a person can earn more money from year but see a reduction in purchasing power during the same time period?**

**36. What are the purposes of political parties? What is the main goal?**

**37. Use the Venn Diagram to Compare and Contrast Political Parties and Interest Groups**



**38. Money and Politics- Identify each term and outline the debate over each.**

PAC

Interest Groups

Lobbyist

Earmarks

Relate to a Dinner Party

Pork Barrel

Campaign Finance Reform

**39. Review and outline the main rights protected by the . . .**

1<sup>st</sup> Amendment

2<sup>nd</sup> Amendment

4<sup>th</sup> Amendment through 8<sup>th</sup> Amendment

10<sup>th</sup> Amendment

14<sup>th</sup> Amendment

**40. How can you get involved?**

	What must you do?	What should you do?
Consumer		
Citizen (rights)		
Political Process		

**41. Explain the concept of a Prisoner's Dilemma and identify a real-life [prisoner's dilemma](#) in Politics and/or Economics.**

Price Wars

Mudslinging

**42. Explain the concept of the [Tragedy of the Commons](#) and relate it to a real-life example.**

