

# CIVICS & ECONOMICS EOC REVIEW

Name \_\_\_\_\_

## 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	<b>Lived in small towns, homes were close to one another</b> <b>Economy thrived on shipbuilding, fishing, and small farming</b> <b>Puritan religion (family life was based around church and God)</b> <b>Most colonies were lead by men who were still loyal to the British throne</b>
Middle Colonies	<b>Grew large amounts of wheat and other cash crops, also relied heavily on the IRON industry</b> <b>Religion was separate from government (religious tolerance), there were many different denominations (Protestant, ex: Quakers in Penn.)</b>
Southern Colonies	<b>Plantation farming (cotton, tobacco, rice, grains) – TRIANGULAR TRADE</b> <b>Warm climate and a long growing season</b> <b>Women kept the homes, while the men worked</b> <b>Self-governed (religion and government kept separate)</b>

1. What role did slaves and indentured servants play in the colonies?

**They played an important role in the economy, especially in the southern colonies. They allowed farmers to develop plantations and begin wide-scale cotton and tobacco farming. However, the harsh treatment of the slaves eventually led to many problems between the colonies (states).**

2. What is **mercantilism**?

**The theory that a country should sell more goods to other countries than it buys**

### Objectivel 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?

**Religious freedom and economic opportunity**

2. Where was the first British attempt at self-government in North America?

**Jamestown in 1607**

3. What is a **charter**?

**A written document granting land and the authority to set up colonial governments**

4. How was the colony managed?

**by a governor that was appointed by the British king and a legislature**

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

**Virginia House of Burgesses**

5. What is a **compact**?

**An agreement among a group of people**

What did the **Mayflower Compact** do?

**Established a tradition of direct democracy**

6. What two bodies made up the government of each of the 13 colonies?

**Governor and legislature**

What kinds of decisions did the governing bodies make?

**Made laws, enforced laws, collected taxes, etc...**

### **Objective 1.03: Causes of the American Revolution**

1. List the causes of the American Revolution:

**Stamp Act, Tea Act, Declaratory Acts, Intolerable Acts, Lexington and Concord**

2. Define **boycott**:

**Refusing to buy British goods**

3. What did the First Continental Congress do?

**Sent a document to King George III demanding that the rights of the colonists be restored**

4. Where were the first two battles of the American Revolution?

**Lexington and Concord**

### **Objective 1.04: The American Identity**

1. What information do we find in the **Declaration of Independence**?

**A list of complaints by the colonists**

**The colonists beliefs about the rights of individuals**

**The purpose of the government to protect the rights of the people**

**A declaration for freedom and independence**

2. What two ideals is the United States committed to achieve?

**To establish a democracy  
To be free and enjoy the rights to life, liberty, and property**

**Objective 1.05: Problems Under Articles of Confederation Resolved by Constitution**

1. What was government like under the **Articles of Confederation**?

**The federal government made laws that they could not enforce and they also did not have the power to tax**

2. What challenges and problems did the new states face?

**There was nothing (weak federal government) to unite the colonies. Every state had its own laws and on money. They did not have a single military.**

3. How were some of the problems solved with the **Constitution**?

**Under the Constitution the federal government had the power to enforce laws and tax its citizens. It also protected and ensured the rights of citizens through the Bill of Rights.**

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

<b>Federalists</b>	<b>Anti-Federalists</b>
<b>Supported a strong federal government</b>	<b>Wanted more power for the states</b>
<b>Supported the Constitution</b>	<b>Opposed the constitution because it lacked a bill of rights</b>
<b>Wanted a division of power</b>	<b>Felt the national government would ignore the states</b>
<b>Said a strong national gov't could protect the new nation</b>	

**Objective 1.07: How Bill of Rights Extended Constitution**

1. Define **civil liberties**:

**Freedoms we have to think and act without government interference**

2. Give some examples of rights that are protected by the **Bill of Rights**:

**Freedom of religion, assembly, press, petition, speech  
Right to bear arms  
Right to a speedy and public trial by jury  
Right to have a lawyer**

## Objective 1:08 Comparing US and other Forms of Government

Democratic Governments	Authoritarian Governments
<p><b>Leaders chosen fair &amp; free elections</b></p> <p><b>Government has limited power</b></p> <p><b>Relies on the rule of law, separation of powers, checks and balances</b></p> <p><b>Multiple parties</b></p>	<p><b>Rulers inherit positions or use force</b></p> <p><b>Rulers have unlimited power</b></p> <p><b>Relies on controlling the media, propaganda, military power, and terror</b></p> <p><b>Single party</b></p>

## 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**:

**The notion that the power lies with the people.**

2. Define **republic**:

**A representative democracy where citizens choose their lawmakers**

3. Define **democracy**;

**A government in which citizens hold the power to rule**

4. Define **Bill of Rights**:

**First 10 amendments to the constitution**

**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 \_\_\_**House of Reps.**\_ and a \_\_\_**Senate**\_\_\_.
- 6. What is the difference between **expressed** and **implied powers**?

**Expressed are powers that are specifically listed in the Constitution and Implied are powers that Congress has that are not state explicitly in the Constitution**

- 7. The \_\_\_**Executive**\_\_\_ branch of government sees that the laws are carried out. It is headed by the \_\_\_**President**\_\_\_.
- 8. The \_\_\_**Judicial**\_\_\_ branch interprets the laws. It is headed by the \_\_\_**Supreme Court**\_\_\_ but includes other \_\_\_**courts**\_\_\_.

**Objective 2.03: How Constitution Grants and Limits Power of Government**

LIMITS ON GOVERNMENT POWER	WHAT IT IS/ HOW IT LIMITS
<b>Rule of law</b>	<b>Laws that apply to everyone, even those who govern/ no one is above the law (not even the president of the U.S.)</b>
<b>Separation of power</b>	<b>Division of authority between the branches of government / no branch will become more powerful than the others</b>
<b>Checks and balances</b>	<b>Each branch of government is able to check or limit the power of the others / each branch is watched by the other branch to make sure that they do not abuse the power (ex: president vetoing a bill passed by Congress)</b>
<b>Federal System</b>	<b>Power is shared by the national government and the states / there are limitations to how the national and state governments operate, there are rules and regulations that both must follow</b>

**Objective 2.04: How to change Constitution**

- 1. Define **amendment**:

**Any addition or change to the constitution**

2. Define **judicial review**:

**The power of the Supreme Court to say whether any federal, state, or local law or government action goes against the Constitution**

3. How can the Constitution be “informally” changed?

**Through the necessary and proper clause**

4. How many amendments have been added to the Constitution?

**27**

### **Objective 2.05: Constitution as Supreme Law of Land**

1. Define **federal system**:

**The sharing of power between the central and state governments**

2. What does Article VI, clause 2 say about the Constitution?

**Says the constitution is the “supreme law of the land”**

3. What was the importance of *McCulloch v Maryland*?

**It established that federal laws always take precedent over state laws**

### **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: outlawed slavery**

**Amendment 14: equal protection under the law**

**Amendment 15: gave African American men the right to vote**

### **Objective 2.07: Modern controversies related to powers of federal government**

1. What was the major issue of disagreement?

**Who should hold the most power in government (federal vs. state)**

2. What kind of government did the Federalists want?

**A strong national government that shared its powers with the states**

3. What kind of government did the Anti-Federalists want?

**Wanted a government that protected the civil liberties of the people, afraid that the federal government would gain TOO much power**

**Objective 2.08: Sources of revenue**

1. What are some services governments provide?

**Fire departments, police departments, parks and recreation, road construction, public libraries, public schools, hospitals, mail delivery**

2. Define **revenue**:

**The income that a government collects for public use**

3. Fill in the chart:

<b>TYPE OF TAX</b>	<b>WHAT IS IT / WHERE \$\$ COMES FROM</b>
Income tax	<b>A tax on people's earnings / paycheck</b>
Payroll tax	<b>A tax on a business' payroll (the money they payout to their employees)</b>
Excise tax	<b>Tax on cigarettes, other forms of tobacco alcohol, and lottery tickets ("sin" tax)</b>
Estate and gift taxes	<b>Tax on someone's land and home (their estate); tax on monetary gifts to the government</b>
Customs duties	<b>A tax on customs checks (passports, visas, etc...) when you travel outside the country</b>

**Objective 2.09: Services provided by government agencies**

1. What is the largest expenditure of the federal government?

**Social Security; National Defense is 2<sup>nd</sup>**

2. What is Medicare? Medicaid?

**Medicare – government program that provides health care for the aged  
Medicaid – government program that provides health care for people with low income**

3. Give some examples of programs the federal government spends money on.

**Social Security, National Defense, Medicare, Health Benefits, Education, Welfare**

**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?

**Three**

2. What are the 3 branches of government in North Carolina?

**Executive, judicial, and legislative**

3. What is the Declaration of Rights?

**Section of the NC Constitution that spells out the civil liberties and rights of citizens**

4. Who does the NC constitution say the people owe first allegiance to?

**The state of North Carolina**

5. What do the articles do?

**Outlines the branches of government and the rights of the people in NC**

6. What is a **charter**?

**Written document granting land and the authority to set up colonial governments**

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

1. Fill in the chart:

<b>BRANCH OF GOVT.</b>	<b>WHO MAKES IT UP</b>	<b>WHAT IS THE JOB</b>
Executive branch	<b>Governor and his council</b>	<b>Carry out the laws of the state</b>
Legislative branch	<b>General Assembly – made up of two houses – house of rep and senate</b>	<b>Make the laws for the state</b>
Judicial branch	<b>State Courts</b>	<b>Interpret the state constitution and decide on criminal and civil cases</b>

### 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?

**Declaration of Rights**



### **Objective 3.04: How to change state constitution and local charters**

1. How can the North Carolina constitution be changed?

**Through the amendment process or through initiative or referendum**

### **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?

**Funding education (The Leandro Case)**

### **Objective 3:06: How 14<sup>th</sup> Amendment Extends Bill of Rights to Citizens of a State**

1. What is meant by "equal protection of the laws"?

**That all citizens are protected by the law**

2. How does the 14<sup>th</sup> amendment restrict the actions of states?

**States cannot make laws that infringe on the rights of any citizens regardless of race, color, or gender**

### **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**

2. What is needed in North Carolina to over-ride a veto?

**3/5 vote in both houses of the general assembly**

3. A veto is an example of an ??? (think....we have had this term)

**Executive power**

### **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?

**State- sales tax**

**Local- property/residential taxes**

2. Name one way (in addition to # 1) that state and local governments use to pay for major projects.

**lottery**

### Objective 3.09: Services of State and Local Governments

1. Give examples of services provided by state and local governments.  
**Public schools, highways and roads, hospitals, parks, etc...**
2. What is an **appropriations** bill?  
**Legislation earmarking funds for certain purposes**

### 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.  
**Democrats and republicans**
2. What is the first step in getting a candidate elected to office?  
**Developing a strong platform**
3. Give examples of how party members **campaign**:  
**Raise money, inform voters about their ideas, make speeches, newspaper and TV ads**
4. Parties are organized at what 3 levels?  
**National, State, and Local**
5. What is a **precinct**?  
**Geographic area that contains a specific number of voters**
6. Fill in the chart: **STRUCTURE OF POLITICAL PARTIES**

<b>ORGANIZATION</b>	<b>WHAT IS THEIR ROLE</b>
Precinct captain	<b>Organize other party members during campaigns and encourage voters on Election Day</b>
County committee	<b>Build the party at the “grassroots” level</b>
State committee	<b>Electing party candidates to state office</b>
National committee	<b>Nominate candidates to president and vice president</b>
Congressional committees	<b>Develop legislation that is in the best interest of their party</b>

#### Objective 4.02: Election Process & Voting Procedures

1. What are the qualifications to vote for President and Vice President?  
**18 years old, US citizen, registered to vote, resident of the state for a specified period**
2. What are the qualifications for voting in North Carolina?

**Same as #1, plus you cannot be registered in any other state and if you have been convicted as a felon your rights as a citizen must be restored**

3. What must you do before you vote? What information must you show?  
**Register- must show proof of citizenship, address, and age using driver's license or a birth certificate**
4. What is a **primary** election?  
**Election in which voters choose candidates to represent each party in a general election**
5. Explain the job of the **Electoral College**?  
**Delegates cast "electoral votes" for president and vice president. It takes 270 out of a possible 538 to WIN**

#### **Objective 4.03: Political Issues and Political Candidates**

1. Who are voters most likely to support?  
**Candidates who share the same interest or views on certain issues**

#### **Objective 4.04: Changes Through Political Action**

1. What role do **interest groups** play in the political process?  
**They try to influence public opinion by trying to persuade people—including public officials— toward their point of view**
2. What is the job of a **lobbyist**?  
**To influence lawmakers or other government officials to influence their policy making**

#### **Objective 4.05: Consequences of Obeying or Not Obeying Laws**

1. Why do we have laws?  
**To keep order and protect citizens**
2. What are some consequences of not obeying the laws?  
**Fines or imprisonment**

#### **Objective 4.06: Benefits of Civic Participation**

1. Give examples of ways that citizens can become involved in the government process?  
**By voting, serving in court, staying informed, etc...**

#### **Objective 4.07: Costs and Benefits of Civic Action**

1. What is **civic action**? Give some examples.  
**The influencing of public policy at the local, state, and national level  
Examples include: grassroots organizing, community outreach programs (meals on wheels), voter education and mobilization, etc...**

## **Objective 4.08: Participation in Civic Life**

1. Give examples of responsibilities of citizenship.  
**Be Informed, Speak up and Vote, Respect others' rights, Contribute to the Common Good**
2. Define **volunteerism**:  
**The practice of offering your time and services to others without payment**

## **Objective 4.09: Methods to Resolve Conflicts**

1. Give examples of ways conflicts can be resolved.  
**Conflicts can be settled by force (police) and by the courts (trials, mediation, arbitration, etc..)**

## **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**:  
**The agreement on a problem or issue by the people in power (gov't)**
2. Define **arbitration**:  
**Situation in which union and company officials submit the issues 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**:  
**A court's authority to hear and decide cases**
2. What kind of cases are handled by federal courts?  
**Civil and criminal**

### **Objective 5.03: Adversarial Nature of Judicial Process**

1. Define **civil cases**:  
**Person or group taking legal action against another person or group**
2. Define **criminal cases**:  
**Defendants are charged with crimes, and if convicted, they are sentenced as punishment**
3. Fill in the chart:

Similarities between Criminal & Civil Cases	Differences between Criminal & Civil Cases
<p><b>There is a plaintiff and a defendant</b>  <b>There is a judge</b>  <b>There is a verdict</b>  <b>There are witnesses</b></p>	<p><b>Criminal – plaintiff is the government</b>  <b>Civil- plaintiff is the person “complaining”</b></p> <p><b>Criminal- there is a jury</b></p>

**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**
3. How does the legislative process operate in North Carolina?  
**Very similar to how it works in Congress**  
**The General Assembly makes two kinds of laws- general statutes (apply state wide) and they can also enact local or specific laws (does not affect the entire state)**

**Objective 5.05: How Local Governments Resolve Conflicts and Balance Interests**

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

1. Fill in the chart:

GROUP	HOW INFLUENCE POLICY MAKING
CITIZENS	<b>Supporting special interest groups</b>
POLITICAL PARTIES	<b>Use their platforms to pressure legislation</b>
MEDIA	<b>Guides public opinion- elected officials want to keep voters happy</b>
INTEREST GROUPS	<b>Can be very powerful in numbers and in wealth- can influence the decision makers at the different levels of Congress</b>

**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**

<b>TYPE OF LAW</b>	<b>DEFINITIONS / EXAMPLES</b>
COMMON LAW	<b>Law based on court decisions rather than legal code Ex: 5 years ago someone gets 25 to life for murder and yesterday someone gets the same punishment for the same crime</b>
CRIMINAL LAW	<b>Seek to prevent people from deliberately or recklessly harming one another or one another's property Ex: Felonies and misdemeanors</b>
CIVIL LAW	<b>Disputes between people or groups in which no criminal law has been broken (usually involves some type of \$ settlement) Ex: lady sues McDonalds because she burnt her mouth drinking their coffee</b>
CONSTITUTIONAL LAW	<b>Branch of law dealing with the formation, construction, and interpretation of Constitutions Ex: freedom of speech, right to an attorney</b>
ADMINISTRATIVE LAW	<b>Refers to the rules and regulations that the executive branch must make to carry out its job Ex: Airline safety</b>
STATUTORY LAW	<b>A law written by a legislative branch of government Ex: speed limits</b>

2. Define the following terms:

Precedents	<b>A ruling that is used as the basis for judicial decision in a later, similar case</b>
Prosecution	<b>Party who starts the legal proceedings against another party for a violation of the law</b>
Defense	<b>Team of lawyers that represents and protects the defendant</b>
Lawsuit	<b>A legal action in which a person or group sues to collect damages for some harm that has been done</b>
Plaintiff	<b>The person or party filing a lawsuit</b>

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### Objective 6.03: Procedures Involved in Law-making

- Trace the steps from bill to law:
  - bill is introduced in the house or senate**
  - bill goes to a committee for revising and debate**
  - bill starts in the house or senate (depends on where it was introduced)**
  - floor debate**
  - up for vote (if passed goes to the other house, steps are repeated)**
  - if passed in both houses, goes to the president for approval**
  - president can sign or veto (if vetoed it goes back to Congress)**
- How is legislation at the state level like legislation at the federal level? How does it differ?  
**At the state level legislation can be introduced by citizens through initiatives and referendums (citizens vote). At the federal level only house reps, senators, and presidents can introduce legislation**
- What is an **ordinance**?  
**A law, usually of a city or county**
- What is the role of the executive branch in the lawmaking process?  
**The president and his cabinet is involved in introducing proposed legislation to Congress**  
**The president also has the power to sign a bill (it becomes law) or he can veto the bill (kills it)**
- What role do executive agencies play concerning laws?  
**Executive agencies set standards everything from the food we eat (FDA) to the Space Shuttle Programs (NASA)**

### Objective 6.04: Ways to Inform Citizens About Laws

- How can citizens learn about the laws made at all levels?  
**Stay informed, read newspapers, watch the news on TV, research on the internet, join a special interest group (it is all public knowledge)**

### Objective 6.05: Role and Responsibility of Government to Inform Citizens

- How does government inform citizens?  
**through the media (ex: President's State of the Union Address)**

### Objective 6.06: Role of Lobbyists and Special Interest Groups

- Fill in the chart:

VOCABULARY TERM	DEFINITION	WHAT THEY DO
Lobbyist	Representative of an interest group who contacts other government officials directly to influence their policy making	Talk directly to the lawmakers
Special interest groups	Group of people who share a view about an issue to unite to promote their beliefs	Try to gain strength through attracting more members, it helps get their point across to more people

**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	Responsible for all aspects of law enforcement	Federal Bureau of Investigation (FBI) Criminal Intelligence Agency (CIA)
TREASURY	Collects, Borrows, and Spends, and prints money	National Bank of the United States

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

Level	Who Makes it Up / What they do
State	Highway patrol / make sure you follow the law SBI (state bureau of investigation) / investigates major crimes
Local	Sheriff's office / make sure that local laws are followed, keeps peace

**Objective 6.08: Methods to Address Criminal Behavior**

- It is the job of the jury to decide innocence or guilt and the job of the judge to pass sentence.
- What might be punishments for minor crimes?  
**A fine or jail sentence less than one year**



3. What might be punishment for major crimes?  
**A jail sentence of more than one year**
4. What is an *indeterminate sentence*?  
**Cost effective way to punish by the courts (probation or community service)**
5. What problem has been created by the push for longer jail terms?  
**Overcrowding in prisons**

### GOAL 7: Factors of Production

1. Fill in the chart: FACTORS OF PRODUCTION

FACTOR OF PRODUCTION	DEFINITION	EXAMPLES
<b>C</b> apital	<b>Previously manufactured goods used to make other goods and services</b>	Tools, buildings, machinery, (Money)
<b>E</b> ntrepreneurship	<b>Someone who risks time, money and has idea to start business</b>	Google Lemonade Stand
<b>L</b> abor	<b>Human effort directed toward producing goods and services</b>	People's work
<b>L</b> and/ Natural Resources	<b>Renewable resources- can be replaced</b> <b>Non-renewable resources- Can be used only once</b>	Crops, natural resources Oil, diamonds, gold, etc.

2. What is the difference between a **want** and a **need**?  
Want- things we would like to have (entertainment, vacations, etc...)  
Need- things we have to have (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 of the things we would like to have**

2. Why does scarcity exist?

**Because the United States does not have all the resources it needs (NO COUNTRY DOES)**

3. Because of scarcity, producers must make **\_choices among alternatives\_**.
4. What happens to production costs and prices if resources are scarce or expensive?

**Production costs and prices go UP!**

5. Define **consumer**:

**Someone who buys a good or service**

6. Name two ways that consumers are affected by scarcity:

**The price of goods go up, costing the consumer more money  
There are not as many choice among the alternative goods**

**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?

Compare **prices, products, and alternatives, choosing among the best for them**

4. **Fixed costs-** **costs that remain the same over time (ex: mortgage payment)**

5. **Variable costs-** **costs that can change over time (ex: electric bill)**

6. **Total costs-** **Fixed + Variable costs**

7. **Marginal costs-** **Cost of the “one additional unit”**

8. **Marginal revenue-** **Money made off of the “one additional unit”**

9. **Marginal benefit-** **Benefit of the “one additional unit”**

**Objective 7.04: Specialization, Division of Labor, Consumption**

1. Define **specialization**: **when an individual, business, country can make a good better than anyone else.**

2. Define **division of labor**: **dividing a job into smaller tasks. (advantage- quicker production) Example: At a bank- teller, loan officer, etc..**

3. Fill in the chart: **ADVANTAGES and DISADVANTAGES of SPECIALIZATION and DIVISION OF LABOR**

<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
Faster production of goods	Quality not as good

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

1. Define and give examples of **capital goods**:  
**Buildings, tools, and machinery that goes into making final goods (all goods that go into making FINAL goods)**
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?  
**Productivity**
4. What will happen as more employees are added to a business? **Cost of goods will increase**

This is called the Expansion.

**Objective 7.06: Different Economic Systems**

1. What is the major difference between **market** economies and **command** economies?  
**Market- Government plays NO role**  
**Command- Governemnt controls every aspect of the economy**
2. Most economies in the world today are Market.

**GOAL 8: Features of the United States Economic System**

**8.01-**

1. Fill in the chart: CHARACTERISTIC OF ECONOMIC SYSTEMS

<b>ECONOMIC SYSTEM</b>	<b>CHARACTERISTICS</b>
<b>TRADITIONAL</b>	<b>Economic system based on tradition and custom. (Example- small community)</b>
<b>COMMAND ECONOMIES</b>	<b>Governemnt controls all aspects of economy</b>
<b>MARKET ECONOMY aka Capitalism</b> <b>Adam Smith wrote “The Wealth of</b>	<b>Government plays no role, what is produced is based on what is in demand</b>

<b>Nations”</b> _____	
<b>MIXED ECONOMIES</b>	Two or more economics. “Governemnt + the People”

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

1. How does the 5<sup>th</sup> amendment protect property ownership?

**Patents & copyrights-**

Copyrights- exclusive rights to control, publish, and sell an original work

Patents- A license issued to an inventor granting the exclusive right to manufactor.

**Objective 8.03: The Circular Flow**

1. Fill in the chart: THE CIRCULAR FLOW

<b>MARKET</b>	<b>WHAT HAPPENS IN THE MARKET</b>
Product Market	Markets where producers offer goods and services for sale
Factor Market	The markets where productive resources are bought and sold

**Objective 8.04: Supply, Demand, and Prices**

1. How are supply, demand, and prices related?

They all affect each other

2. List the factors that effect demand.

Ability to make a product, do people want the product, supply needed

3. List the factors that effect supply.

Ability of enough of a product to make it to market-demand

4. How do substitutes and complements affect supply and demand?

Substitutes- goods that can be interchanged (ex: salt and pepper)

Complements- goods that work together (ex: car and tires)

**Objective 8.05: Shortages, Surpluses, and Prices**

1. Fill in the chart:

TERM	DEFINITION	WHAT HAPPENS TO PRICES
Surplus	Too much of a product	Goes down
Shortage	Too little of a product	Goes up

2. When supply and demand are equal, we have an Equilibrium price.

3. What is a price ceiling? Maximum price

4. What is a price floor? Minimum prices/lowest price

5. What effect does inflation have on prices? Rise in Prices

6. What effect does deflation have on prices? Prices to drop

**Objective 8.06: Competition, Price, Supply**

1. Why is competition important in our economy? It helps to keep prices down

2. How do consumers benefit from competition in markets? Competition helps to bring good products and good prices for those products

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
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Sole Proprietorship	<b>Business owned by “1” person</b>	<b>Profit</b>	<b>Unlimited Liability</b>
Partnerships	<b>Business owned by “2” or more people</b>	<b>Pride of sharing</b>	<b>Unlimited liability</b>
Corporations	<b>Owned by many</b>	<b>Easier to raise money</b>	<b>Limited liability</b>

7. Corporation owners are called stockholders. They buy/sell stocks in the stockmarket.

**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	Ignore this questions

**Objective 8.09: Role of Money**

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

1. serves as a form of exchange and trade

**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 periods of growth and decline
Recession	Time of low economic activity and high unemployment

Trough	Lowest point of the cycle
Expansion	GDP goes up
Peak	Highest point of the cycle
Unemployment rate	% of people looking for jobs
Inflation	Rise in prices
Consumer price index	
Gross Domestic Product (GDP)	Total dollar value of all final goods and services
Real GDP	

2. What happens to prices and jobs...

During a Recession?

They go away...

During Expansion?

They are 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, businesses, and countries concentrate on goods and services better than any other country

2. How do technological advances impact consumers?

They create products people want

3. How does a war affect consumers and producers?

Helps producers

4. How has downsizing affected NC consumers and producers?

Jobs leaving and going overseas

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

1. Give 2 reasons why we import goods.

Better prices and more efficient goods

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

ADVANTAGES	DISADVANTAGES
Ability of a country to produce a good at a relatively lower cost than another country	Lost sales and jobs in the mother 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	Puts a burden on the economy
Economic development	Every country has its own economic system or way of producing the things people want and need



Decisions of government leaders	Government can change interest rates
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## **GOAL 10: POSITIONS ON ISSUES IN CONSTITUTIONAL DEMOCRACY**

### **Goal 10.1: Personal and Civic Responsibilities**

1. Give examples of civic responsibilities.

**Be informed, speak up and vote, respect others rights, and contribute to the common good**

2. Give examples of civic duties:

**Obey laws, pay taxes, defend the nation, serve in court, and attend school**

### **Goal 10.2: Issues of Diversity**

1. One of the major obligations of American citizens is to respect \_\_\_\_ **others rights**.\_\_\_\_\_

### **Goal 10.3: Importance of Education**

1. Why is public education important?

**It helps people learn the skills needed to perform higher level jobs. It helps society because it can be a boost to the economy in the long run.**

### **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 can limit the everyday freedoms of innocent citizens  
Example: security checks at ballgames and airports**

### **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?

**To much freedom = less protection  
To much protection = less freedoms**