

Vocabulary Activity

Markets, Money, and Businesses

Content Vocabulary

1. **Directions:** Use this graphic organizer to describe each economic system. Use the words **capitalism**, **free enterprise**, **laissez-faire economics**, and **mercantilism** in your answer.

Capitalism	Free Enterprise	Laissez-Faire Economics	Mercantilism

2. **Directions:** Use this graphic organizer to describe the differences among these four types of banking and assistance programs used in the United States. Use the words **Deposit Insurance Program**, **Temporary Assistance for Needy Families (TANF)**, **Supplemental Nutrition Assistance Program (SNAP)**, **Social Security**, and **Workfare** in your answer.

Program	Description
Deposit Insurance Program	
Temporary Assistance for Needy Families (TANF)	
Supplemental Nutrition Assistance Program (SNAP)	
Social Security	
Workfare	

Vocabulary Activity *(continued)*

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3. **Directions:** Read the following sentences and explain what the words **coin**, **currency**, **electronic money**, and **cryptocurrency** mean, based on the information given. Use the chart to write your explanations.

Over time, money has changed in form. In some societies, stones or shells have been used as money. People later began using gold and silver coins. Currency is a general term for money in its different physical forms. Money deposited in a bank is said to be electronic money. Cryptocurrency, a type of electronic money, is not issued by any country or central bank.

Term	Explanation
Coin	
Currency	
Electronic Money	
Cryptocurrency	

DIRECTIONS: Read the following sentences and answer the questions.

4. Explain how the terms **deposit**, **checking account**, and **savings account** are related to one another.
5. Explain the differences between a **commercial bank**, a **credit union**, and a **central bank**.
6. Describe the relationship between **profit** and **profit motive**, as well as **private good** and **public good**.

Vocabulary Activity (*continued*)

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DIRECTIONS: In the space provided before each word in the left column, write the letter of the correct definition.

- | | |
|--|---|
| _____ 7. competition | a. the legal responsibility for something, such as an action or a debt |
| _____ 8. liability | b. the act of buyers and sellers freely and willingly engaging in market transactions |
| _____ 9. board of directors | c. the struggle among businesses with similar products to attract consumers |
| _____ 10. consumer sovereignty | d. the freedom to own and use our property as we choose as long as we do not interfere with the rights of others |
| _____ 11. voluntary exchange | e. the people elected by the shareholders of a corporation to act on their behalf |
| _____ 12. private property rights | f. exclusive control of a good or service |
| _____ 13. monopoly | g. a business owned and operated by a single person |
| _____ 14. sole proprietorship | h. role of the consumer as ruler of the market that determines the types and quantities of goods and services produced |
| _____ 15. franchise | i. group made up of “all persons 16 years of age or over who are working or not working but are able and willing to work” and who are not in the military |
| _____ 16. foundation | j. to trade a good or service for another good or service |
| _____ 17. civilian labor force | k. when management closes a workplace to prevent union members from working |
| _____ 18. strike | l. a union tactic in which striking workers walk with signs that express their grievances |
| _____ 19. picketing | m. organization established by a company or an individual to provide money for a particular purpose, especially for charity or research |
| _____ 20. lockout | n. company that has permission to sell the supplier’s goods or services in a particular area in exchange for payment |
| _____ 21. Barter | o. when workers deliberately stop working to force an employer to give in to their demands |

DIRECTIONS: Read the following sentences. If the statement is true, write *T* in the first blank. If the sentence is false, write *F*, and then explain in the space provided why the statement is false. Include the vocabulary word(s) in parentheses in your explanation.

- _____ 22. A partnership is a business owned by two or more people. (**partnership**)
- _____ 23. A labor union is type of business organization owned by many people but treated by law as though it were a person. (**labor union**)

Vocabulary Activity (*continued*)

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- _____ 24. Transparency is the process of making business deals or conditions less visible to everyone. (**transparency**)
- _____ 25. Right-to-work laws are state laws allowing unions to require workers to join. (**right-to-work**)
- _____ 26. A corporation is a type of business organization owned by many people but treated by law as though it were a person. (**corporation**)
- _____ 27. Shares of ownership in a corporation are called stocks or stock certificates. (**stocks**)
- _____ 28. Collective bargaining occurs when workers deliberately stop working in order to force an employer to give in to their demands. (**collective bargaining**)
- _____ 29. An injunction is a court order to stop some type of action. (**injunction**)
- _____ 30. Compensation is a payment to workers who have done more than their share. (**compensation**)
- _____ 31. Welfare is an assistance program that requires recipients to exchange some of their labor for benefits. (**welfare**)
- _____ 32. A merger is a combination of two or more companies to form a single business. (**merger**)

DIRECTIONS: Read the following sentences. If the **bold** term is used correctly in the sentence, write C in the first blank. If the term is used incorrectly, write I, and then explain in the space provided why the term is not used correctly. Include the **bold** vocabulary term in your explanation.

- _____ 33. To stay in business, the company needed **financial capital**.
- _____ 34. The **charter** was owned by many people but treated by law as though it were a person.
- _____ 35. The **nonprofit organization** hoped to make a big profit on the goods and services it provided.
- _____ 36. The business had a **social responsibility** to benefit society as well as itself.
- _____ 37. The **unemployment rate** is the percentage of people in the civilian labor force who are currently working while also looking for jobs.
- _____ 38. **Externality** refers to the economic side effect that affects an uninvolved third party.
- _____ 39. **Mediation** is a situation in which union and company officials submit the issues they cannot agree on to a neutral third party for a final decision.
- _____ 40. **Arbitration** is a situation in which union and company officials bring in a third party to try to help them reach an agreement.

Vocabulary Activity (*continued*)

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- _____ 41. A **certificate of deposit (CD)** is a timed consumer loan to a bank that states the amount of the loan, maturity, and rate of interest being paid.
- _____ 42. A **recall** is a government action that allows an unsafe product to remain on a store shelf.
- _____ 43. An **antitrust law** is legislation to prevent monopolies from forming and to preserve and promote competition.

Academic Vocabulary

DIRECTIONS: From the vocabulary list, choose the best word to answer each question.

ensure, clarify, medium, attain, potential

44. Which term is another word for *possible*?
45. Which word describes a means of doing something?
46. Which word indicates explaining something?
47. Which term is another word for *achieve*?
48. Which word means “to make certain of an outcome”?