

Economics and Financial Literacy

141. profit – the money a business or individual makes after accounting for all expenses, such as materials, labor, advertising and taxes

142. supply – the amount of a product which is available to customers

143. demand – the amount of a product people are willing to buy at a certain price

144. price – the quantity of payment given by one person to another for goods or services

145. Four Basic Laws of Supply and Demand – One card for each situation!

- If demand increases and supply remains unchanged, a shortage occurs, leading to a higher price.
- If demand decreases and supply remains unchanged, a surplus occurs, leading to a lower price.
- If demand remains unchanged and supply increases, a surplus occurs, leading to a lower price.
- If demand remains unchanged and supply decreases, a shortage occurs, leading to a higher price.

146. scarcity – the economic problem of having humans with unlimited wants and needs in a world of limited resources

147. imports – a good or service brought from one country into another country for sale

148. exports – a good or service sent out from a country for sale

149. outsourcing – the contracting out of part of a business' processes to avoid or reduce costs such as labor, medical benefits, or taxes

150. cost-benefit analysis – a process of calculating and comparing benefits and costs of a project or decision, by comparing different options, and comparing the total expected cost of each option against the total expected benefits, to see if the benefits outweigh the costs, and by how much

Please add the following three (3) words-

shortage – a situation where the supply of a product or resource is not sufficient to satisfy the demand for it.

surplus – a situation where the supply of a product or resource exceeds (is greater than) the demand for it.

wages – a fixed, regular payment for work or services, typically paid by the hour or week.