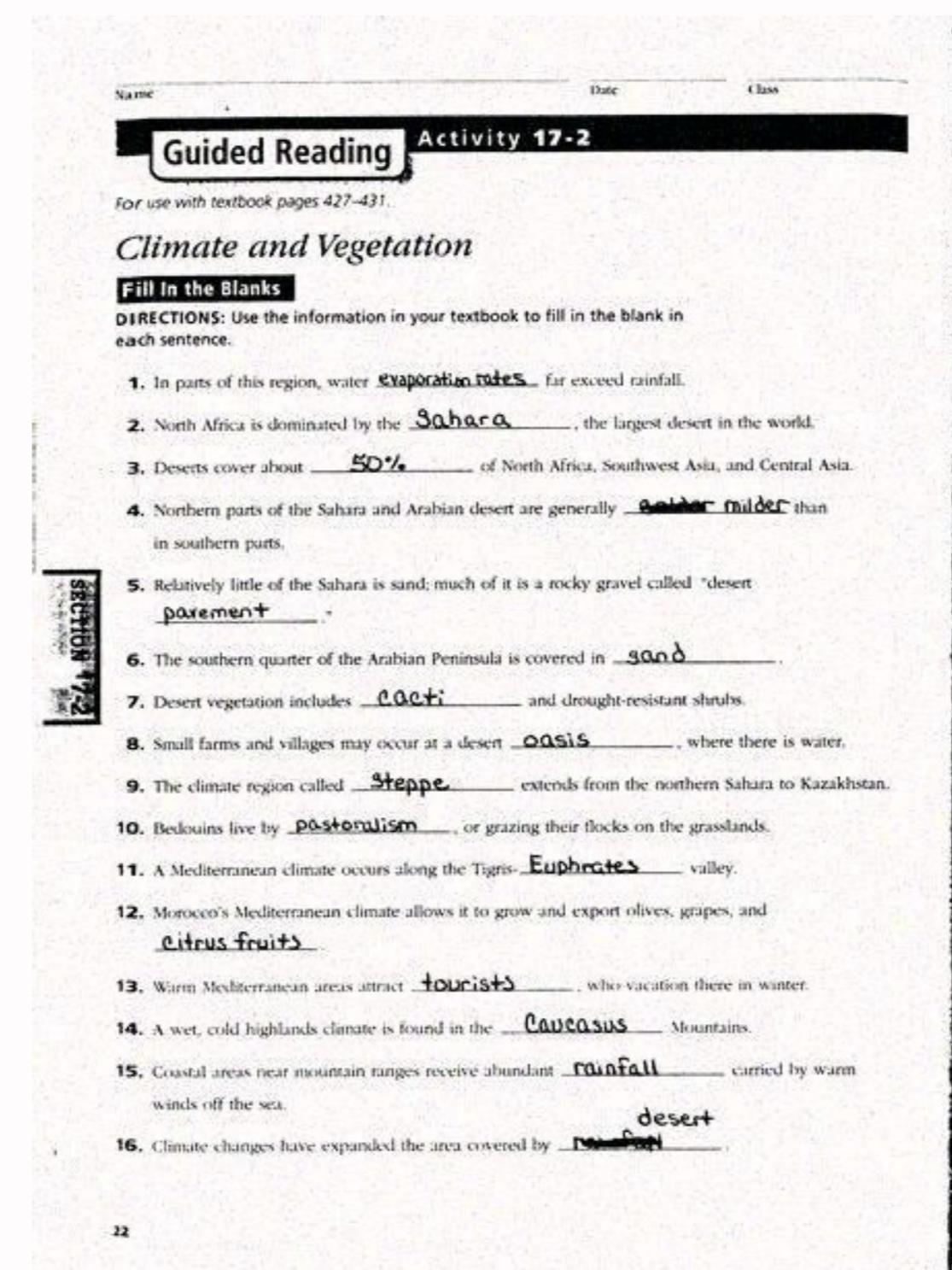


I am not a robot!

Economics guided reading activity 5-3.



In a variety of presentations, students are asked to list, outline, analyze, apply, and evaluate the information they have read. The Guided Reading Activities help students organize their learning and prepare them for the section quizzes and the chapter tests. Answers to the Guided Reading Activities can be found at the back of the booklet. All rights reserved. Permission is granted to reproduce the material contained herein on the condition that such material be reproduced only for classroom use; be provided to students, teachers, and families without charge; and be used solely in conjunction with *Economics: Principles and Practices*. Any other reproduction, for use or sale, is prohibited without written permission from the publisher. Send all inquiries to: Glencoe/McGraw-Hill 8787 Orion Place Columbus, OH ISBN Printed in the United States of America

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Section Financial Markets

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Section Comparative Economic Systems

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5 1-1 For use with textbook pages 5-10

S CARCITY AND THE SCIENCE OF ECONOMICS

RECALLING THE FACTS

Directions: Use the information in your textbook to answer the questions. Use another sheet of paper if necessary.

1. What is the basic economic problem facing all societies?
2. How is need different from want?
3. What do the letters TINSTAAFL stand for, and what does the term mean to consumers?
4. What are the three basic questions societies have to answer about the way their resources are used?
- b. c.
5. List the factors of production and define each one.
- b. c. d.
6. What is

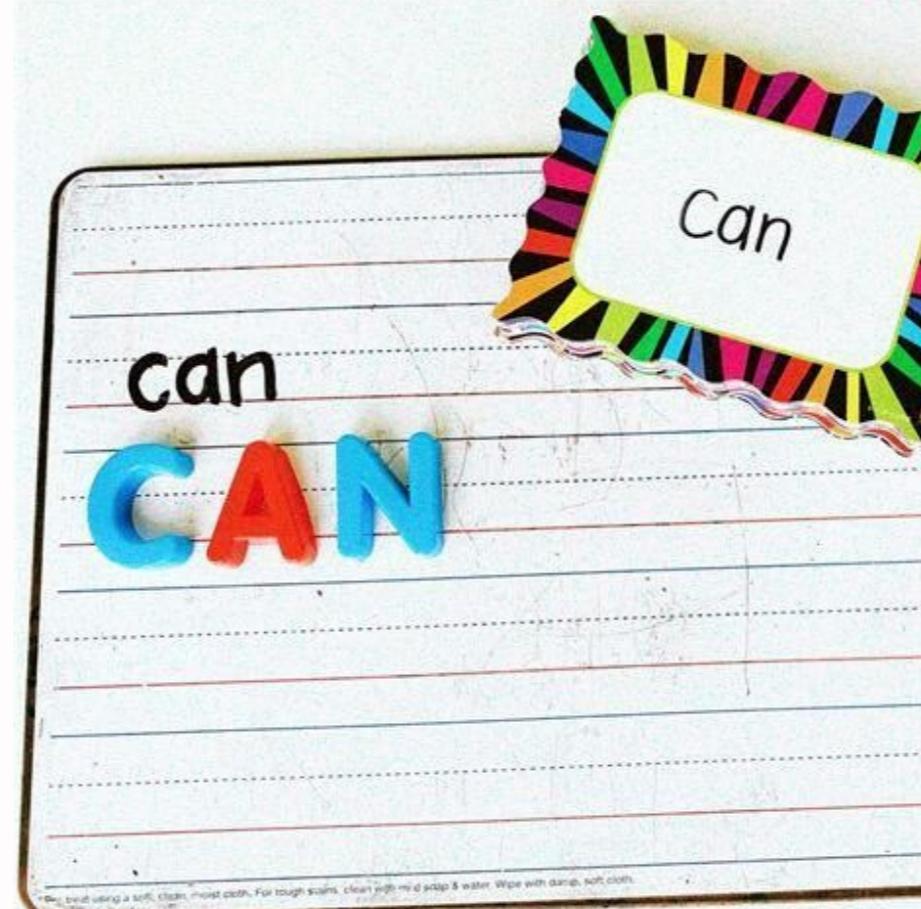
What are the four key elements of the study of economics? Explain briefly why each one is important. b. b. c. c. d. d. Guided Reading Activities 16 1-2 For use with textbook pages BASIC ECONOMIC CONCEPTS OUTLINING Directions: Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary. I. Goods, Services, and Consumers A. Introduction What is scarcity in an economic sense? B. Goods What is the difference between a consumer good and a capital good? C. Services What kind of economic products are services? D. Factors of production What are the three basic questions societies have to answer about the way their resources are used. E. G. S. List the factors of production and discuss how they are used. F. What is production? 7.

and Consumers A. Introduction What is scarcity in an economic sense? B. Goods What is the difference between a consumer good and a capital good? B. C. Services What kind of economic product is a service? B. D. Consumers What is a consumer? II. Value, Utility, and Wealth A. Introduction To what does value refer? B. Paradox of Value What is the paradox of value? B. C. Utility What is required for something to have value? B. D. Wealth What is wealth? III. The Circular Flow of Economic Activity IV. A. Introduction What is a key feature of circular flow? B. Factor Markets What is a factor market? C. Product Markets Where do individuals spend their income from the resources they sell? B. Productivity and Economic Growth A. Productivity What is productivity? B. Division of Labor and Specialization How do division of labor and specialization affect productivity? C.

NAME	DATE	GRADE
Guided Reading Activity		
networks		
The Age of Exploration		
Lesson 3: Colonial Latin America		
Review Questions		
<p>Directions: Read each writing idea. Use your textbook to supply the details that support the main idea.</p> <p>A. Main Idea: The political and economic expansion of Spain and Portugal created a complex mix of racial classes and people in Latin America.</p> <p>1. Detail: Social classes in colonial Latin America were labeled as _____.</p> <p>2. Detail: _____ Spanish and Portuguese officials from in Europe were the highest social class and maintained power in colonial Latin America.</p> <p>3. Detail: _____ African Caribbeans born in Latin America and their descendants. Several _____ groups were beneath the _____ and the mestizos.</p> <p>4. Detail: Many mixed groups, such as the _____, emerged as a result of the intermarriage between Europeans and Native Americans in Latin America.</p> <p>B. Detail: The Portuguese and Spanish increased their wealth by removing natural resources like _____ and _____ from Latin America and.</p> <p>6. Detail: Through the _____ system, Spanish landowners forced Native Americans to pay taxes and provide _____.</p> <p>7. Detail: In Peru, through a system known as the _____, authorities could _____ Native peoples to work in silver mines.</p> <p>B. Main Idea: Portuguese and Spanish rulers exerted authority over their colonies through a totalitarian system of government and the influence of the Catholic Church.</p> <p>E. Detail: Portuguese and Spanish governors appointed governors-general, or _____, to help govern their colonies in Latin America.</p> <p>2. Detail: Unfriendly to _____, the Native peoples. Officials together into resistance.</p> <p>3. Detail: With the establishment of convents, women had no other option than marriage; they could become _____.</p>		

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5 Effective Pre-Reading Activities for **Guided Reading**



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NAME _____	DATE _____	CLASS _____
Guided Reading Activity		
Business Organizations		
network		
<p>Lesson 3: Forms of Business Organizations</p> <p>Review Questions</p> <p>Directions: Read each question and complete the statement below. Refer to your textbook for your answers.</p> <p>A. Sole Proprietorship</p> <p>Main Idea: A sole proprietorship is a business owned and operated by a single individual or owner. Although you are the owner, you also have total liability, and you may lack the skills needed to run a business successfully.</p> <ol style="list-style-type: none"> 1. A sole proprietorship is not _____, so it is risky for business owners such as apartment owners, and the owner keeps all the _____. 2. A sole proprietorship is easy to _____, and it is _____ because the owner does not have to confer with or answer to anyone else before making a decision. 3. A sole proprietor does not have to pay corporate business income _____ and can _____ close down the business. 4. A sole proprietor has unlimited _____ for his or her business, which means that he or she is fully responsible for all of the business's debts and liabilities. A sole proprietor may also have trouble raising needed _____. 5. Because of _____, the sole proprietor _____ may have trouble hiring the employees it needs and carrying enough _____ to satisfy its customers or to keep production flowing smoothly. <p>B. Partnership</p> <p>Main Idea: There are two types of partnerships—general and limited—and each has its own advantages and disadvantages as a business organization.</p> <ol style="list-style-type: none"> 1. In a _____ partnership, all partners are responsible for the business's financial and _____. 		

The Guided Reading Activities help students organize their learning and prepare them for the section quizzes and the chapter tests.

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Guided Reading Activity

The Renaissance in Europe

Lesson 3 Ideas and Art of the Renaissance

Review Questions: Outlining

Directions: Read the lesson and complete the outline below. Refer to your textbook to fill in the blanks.

I. Italian Renaissance Humanism

1. _____, an important intellectual movement of the Renaissance, was based on the study of the _____, which included the literature of ancient Greece and Rome.

2. _____, known as the father of Italian Renaissance humanism, began the emphasis on using Latin classical

3. Some Italian writers, such as _____, author of the Divine Comedy, wrote in the _____, the local spoken language.

II. Renaissance Education

4. The increasingly _____ focus of education in the humanist movement led to a new one called _____.

5. Humanist educators believed that the purpose of education was to educate _____ citizens, and they stressed the importance of developing the _____ as well as the mind by emphasizing physical education.

6. German printer _____ pioneered a new kind of printing that used _____.

7. The printing of books encouraged scholars _____ and helped stimulate the reading public's desire to acquire _____.

III. Italian Renaissance Art

8. Two major developments, an emphasis on the _____ side of learning and study of movement and human _____, helped Renaissance artists achieve the realistic portrayal of the individual.

9. Like painters, Renaissance _____ and _____ brought to pottery & human-centered world.

10. During the High Renaissance, master painters such as Raphael _____ and _____ depicted the perfection of nature and of the individual in their art.

of opportunity, and lack of initiative. Wage Determination Most occupations have a standard amount of pay given for work performed. Three theories of wages explain differences from one occupation to the next and even within the same occupation. The 7 states that the supply and demand for a worker's skills and/or services determine the wage or salary. The higher the demand for a particular type of worker, the higher the wage; the lower the level of demand, the lower the wage. The 8 leaves neither a surplus nor a shortage in the labor market. According to the 9, organized labor's bargaining strength is a factor that helps determine wages. The third theory the 10 states that employers are usually willing to pay more for workers with signals of superior ability, such as advanced diplomas or degrees. Regional Wage Differences Wages for the same job can differ from one part of the country to another because of the scarcity of skilled workers in some parts and their abundance in others. Differences can be offset by 11, the ability and willingness of workers to relocate to markets where wages are higher. 24 Guided Reading Activities 29 8-4 For use with textbook pages E MPLOYMENT TRENDS AND ISSUES RECALLING THE FACTS Directions: Use the information in your textbook to answer the questions. Use another sheet of paper if necessary. 1. In what way can the drop in union membership be attributed to the unions being the victims of their own success? 2. What is a two-tier wage system? 3. What is the glass ceiling and what groups does it mainly appear to affect? 4. What legal remedies does the Civil Rights Act of 1964 offer to workers suffering from wage and salary discrimination? 5. What is comparable worth? 6. What is a set-aside contract? 7. How does the use of part-time workers mean savings for employers? Guided Reading Activities 2530 9-1 For use with textbook pages T HE ECONOMICS OF TAXATION OUTLINING Directions: Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary.

I. Economic Impact of Taxes A. Resource Allocation What can happen to the factors of production when prices go up as an end result of taxation? B. Behavior Adjustment What is a sin tax and what is it usually applied to? C. Production and Growth What effect might taxes have on productivity and economic growth? D. D. The Incidence of a Tax What situation must exist to make it easier for a producer to shift the incidence of a tax to the consumer? II. Criteria for Effective Taxes A. Equity What criteria is generally recognized as making taxes fairer? B. Simplicity What makes taxes more tolerable to many people? C. Efficiency What are two criteria for making a tax efficient? III. Two Principles of Taxation A. Benefit Principle What is the benefit principle of taxation? B. Ability-to-Pay Principle What two factors is the ability-to-pay principle based on? IV. Types of Taxes A. What is a marginal tax rate? 26 Guided Reading Activities 31 9-2 For use with textbook pages T HE FEDERAL TAX SYSTEM FILLING IN THE BLANKS Directions: Use your textbook to fill in the blanks using the words in the box. Some words may be used more than once. Use another sheet of paper if necessary. payroll withholding system Internal Revenue Service FICA indexing excise taxes estate tax user fees customs duty medicare individual income tax gift tax Introduction/Individual Income Taxes The most important sources of government revenue are the 1, Social Security tax, and 2, in that order. In most cases the individual income tax is paid over time through a 3, a system that requires an employer to automatically deduct income taxes from an employee's paycheck and send it directly to the government. The receiving agency is the 4. The average tax rate goes up when income does. Thus, workers who get a small raise to offset inflation may find themselves pushed into a higher tax bracket and be no better off than they were. To offset this, there is a provision for 5, an upward revision of the tax brackets to keep workers from paying more in taxes just because of inflation. FICA Taxes The second-most important federal tax is 6, the Federal Insurance Contributions Act tax levied on both employers and employees for Social Security and 7, the federal healthcare program available to all senior citizens regardless of income. Wealthy individuals pay the same percent of income for the 8 tax as do the poor. Corporate Income Taxes/Other Federal Taxes The 9 is the tax a corporation, as a separate legal entity, pays on its profits. The federal government also receives other revenues. One source is 10, the taxes on the manufacture or sale of selected items, such as gasoline, liquor, telephone services, tires, legal betting, and coal. Another kind of tax is 11, which is levied on the transfer of property when a person dies. Another is 12 on donations of money or wealth, and it is paid by the person making the gift. A 13 is a charge levied on goods brought in from other countries. Also, 14 are charges levied for the use of goods or services. Guided Reading Activities 2732 9-3 For use with textbook pages S TATE AND LOCAL TAX SYSTEMS RECALLING THE FACTS Directions: Use the information in your textbook to answer the questions. Use another sheet of paper if necessary. 1. What is intergovernmental revenue? 2. What are the two largest sources of revenue for states? How are they collected? b. 3. What are the third and fourth largest sources of revenue for states? b. 4. Name four other sources of revenue for state governments. b. c. d. 5. What are the three largest local government revenue sources? b. c. 6. What information does a payroll withholding statement show? 28 Guided Reading Activities 33 9-4 For use with textbook pages C URRENT TAX ISSUES OUTLINING Directions: Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary. I. Tax Reform A. Tax Reform in 1981 What breaks did businesses gain from the Economic Recovery Tax Act of 1981? B. Tax Reform: 1986, 1993 What was the driving force behind the Omnibus Budget Reconciliation Act of 1993? C. Tax Reform in 1997 What was behind the unexpectedly high tax revenues in 1997? D. Tax Reform in 2001 What additional tax bracket was added in 2001? II. The Value-Added Tax A. Introduction/The Concept of Value Added How is the VAT different from a national sales tax? B. Advantages of a VAT What are the three main advantages of a VAT? C. Disadvantages of VAT What makes a VAT invisible to consumers? III. The Flat Tax A. Introduction What is a flat tax? B. Advantages of the Flat Tax What are three advantages of a flat tax? C. Disadvantages of the Flat Tax What are two disadvantages of a flat tax? IV. The Inevitability of Future Reforms What are four factors that ensure further change in the federal tax code? Guided Reading Activities 2934 10-1 For use with textbook pages T HE ECONOMICS OF GOVERNMENT SPENDING FILLING IN THE BLANKS Directions: Use your textbook to fill in the blanks using the words in the box. Some words may be used more than once. Use another sheet of paper if necessary. transfer payments per capita private sector public sector grant-in-aid resource allocation distribution of income redistributing income goods and services Introduction/Government Spending in Perspective Government is a major player in the economy of the United States, spending more than all privately owned businesses combined. It spends huge amounts on 1, 2, and other programs. On a 3, or per person basis, this amounts to almost \$10,000 for every person in the country. The growth in the 4, which is the part of the economy made up of federal, state, and local governments, has led some people to question what services the government should provide and what should be provided by the 5, the part of the economy made up of private individuals and privately owned businesses. Two kinds of Spending Government makes two broad kinds of expenditures. The first is for 6. The second is in the form of what are called 7. These are payments for which the government receives neither goods nor services in return. One type is known as a 8. An example is the interstate highway construction programs for which the federal government grants money to cover the major part of the cost. The states through which the highways pass pay the rest. Impact of Government Spending Government spending decisions directly affect 9. Resources are shifted to wherever the government chooses to spend its revenues. Government spending also influences the 10, or the way in which income is allocated among families, individuals, or other groups in the economy. The government, by producing 11, is often in competition with producers in the Guided Reading Activities 35 10-2 For use with textbook pages F EDERAL GOVERNMENT EXPENDITURES RECALLING THE FACTS Directions: Use the information in your textbook to answer the questions. Use another sheet of paper if necessary. I. What is the difference between mandatory spending and discretionary spending in the federal budget? 2. What is the difference between a fiscal year and the calendar year? 3. What branch of the government is responsible for developing the budget? 4. What is a federal budget surplus? 5. What is a federal budget deficit? 6. What is an appropriations bill? 7. What is the Congressional Budget Office (CBO) and what is its role? 8. What are the 12 categories of expenditures in the federal budget? Guided Reading Activities 3136 10-3 For use with textbook pages S TATE AND LOCAL GOVERNMENT EXPENDITURES FILLING IN THE BLANKS Directions: Use your textbook to fill in the blanks using the words in the box. Some words may be used more than once. Use another sheet of paper if necessary. elementary and secondary education interest on debt insurance trust funds balanced budget amendment bonds public utilities intergovernmental expenditures public welfare police protection higher education Introduction/Appropriating Spending Like the federal government, state and local levels of government also have to go through a budget process. Some states have enacted a 1, which is a constitutional amendment that requires that annual spending not exceed revenues. Under these conditions, states must cut spending when revenues drop. State Government Expenditures There are seven major categories of state government expenditures. The largest is 2. These are the funds that the state distributes to towns and cities. The second-largest category of expenditures is 3. These payments take the form of cash assistance and payments for medical care. Money in 4 is invested until such time as people retire, become unemployed, or are injured on the job. Another large category is 5, a traditional responsibility of state governments with their networks of state colleges and universities. States borrow money, usually by issuing 6. As a result, they must pay 7. Local Government Expenditures More than one-third of local government spending is on 8. Spending on 9, such as water and sanitation, amounts to the second most important expenditure. Local spending on 10 is higher than it is on the state level. As with the federal and state governments, local governments also borrow money for large capital expenditures, so they must budget for 11. However, local governments spend much less than states on Guided Reading Activities 37 10-4 For use with textbook pages D EFINITIONS, SURPLUSES, AND THE NATIONAL DEBT OUTLINING Directions: Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary. I. From the Deficit to the Debt A. From the Deficit to the Debt What is deficit spending? B. Deficits Add to the Debt What is the cost of the annual budget can lower the federal debt? c. How Big Is the Debt? Why do most economists tend to disregard trust fund balances? D. Public vs. Private Debt How much of the public debt is owned by foreigners? II. Impact of the National Debt What happens to the purchasing power of individuals as a consequence of the federal debt? III. Taming the Deficit A. Gramm-Rudman-Hollings Why did GRH fail? B. Budget Enforcement Act of 1990 What is the BEA's main feature? C. Omnibus Budget Reconciliation Act of 1993 What feature of this act helped account for the 1994 budget surplus? D. Balanced Budget Agreement of 1997 What is a spending cap? E. Success at Last What is the connection between entitlements and mandatory spending in the federal budget? Guided Reading Activities 33