

# Chapter Four

## Social Studies Study Guide

### Vocabulary:

*Free Enterprise System:* Economy in which producers have the right to create any goods or services they want

*Command Economy:* Economy in which the government decides what goods and services can be made and sold

*Consumer:* A person or company who buys a good or service

*Scarcity:* When the amount of a resource is limited and people may not be able to buy the amount of a resource that is needed

*Advertising:* The use of public notices to bring attention to a product or service

*Interest:* Extra money added to a person's bank account for keeping money in the bank

*Import:* Goods brought **in** from another country to be sold here

*Export:* Goods shipped **out** to another country to be sold there

*Barter:* To trade one type of good or service for another type

*Entrepreneur:* A person who risks money and time to start a new business

*Interdependence:* When nations rely on one another for goods, services, or resources

### Key Points:

- ◆ The government protects private property by making it against the law to steal.
- ◆ Needs are the things you must have to survive, such as food, clothing, and shelter.
- ◆ Wants are things you would like to have but can do without, such as a skateboard or a ticket to a movie.
- ◆ Entrepreneurs take risks to open businesses because they believe their ideas for businesses can make money.
- ◆ The goal of a business that provides goods and services is to make a profit.
- ◆ Transportation gets people and goods from one place to another in ships, trains, and planes.
- ◆ Technology is an innovation that has changed the way people share information by making communication faster and cheaper.
- ◆ High-paying jobs often require special skills and education. Students who continue to study and learn new skills can increase their chances of finding a job after they finish school.
- ◆ Inflation can cause serious problems for people if they are not able to buy the things they need to survive.
- ◆ Banks take the money people save and give it out as loans to borrowers.
- ◆ Mail delivery is an example of the government providing a public service.