



Name: _____ Date: _____

CHAPTER 2

Vocabulary Activity

For each question, fill in the blank with the correct term from the following list.

economic system	income distribution	labor theory of value
free enterprise	mixed economy	surplus value
socialism	traditional economy	globalization
economic plan	vision	offshoring

1. Many economists define _____ as a phenomenon by which individuals and businesses in any part of the world are affected by events elsewhere in the world.
2. In Marxist terminology, _____ is the difference between the total value of production and the subsistence wages that are paid to workers.
3. The _____ holds that all value in produced goods is derived from labor.
4. An economic system in which the answers to the three economic questions are based on customs, traditions, and cultural beliefs is a(n) _____.
5. The way in which a society decides what goods to produce, how to produce them, and for whom goods will be produced is its _____.
6. An economy that has some elements of both capitalism and socialism is a(n) _____.
7. _____ is the term used to describe work done for a company by persons other than the original company's employees in a country other than the one in which the company is located.
8. _____ is an economic system in which government controls and may own many of the resources.
9. _____ is the way all the income in a country is divided among different groups of income earners.
10. _____ is a sense of how the world works.
11. _____ is an economic system in which individuals own most, if not all, the resources and control their use.
12. A government program specifying economic activities, such as what goods will be produced and what prices will be charged, is a(n) _____.