



Louisiana: Our History, Our Home

Chapter 3: Louisiana's Economy - Section 1: Basic Economic Concepts

Guided Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. The term _____ refers to how people _____ material resources in a _____ or other organized body.
2. All humans have the same basic _____: air to breathe, food to eat, water to drink, and clothing and shelter to protect us from nature's extremes. Beyond these basic needs, the things we desire are called _____.
3. _____ include tangible items (things you can touch) such as _____, _____, _____, and _____.
4. Services are the _____ or _____ people perform, often for a fee.
5. When you buy a meal in a restaurant, you are a _____—a person who satisfies a _____ or _____ by buying a good or service.
6. A _____ is the person or group of people who use _____ to make goods or provide _____.
7. _____ are the building blocks of an _____. They help us to satisfy _____ and _____.
8. Natural resources come from _____ or _____ and are useful to _____. They include _____, _____ and their fruits, or precious _____ mined from Earth like copper, gold, and silver.
9. The term _____ describes the persons who _____ goods or services.
10. _____ are the tools used in the _____ of goods and services. Examples of capital resources include _____ and factories.
11. _____ exists when people and societies try to satisfy _____ wants with _____ resources.
12. Scarcity requires _____ and _____ to make _____ with their limited _____.



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13. An _____ is created by the _____ producers and consumers make with the limited _____ they have at their disposal.
14. Individuals, families, businesses, and governments all have to make _____. Each choice offers an _____ that has a benefit and a cost.
15. _____ is the value of your _____ choice, or the thing you decide not to _____.
16. Whenever an individual, a business, or a government makes a _____ to have less of one thing to get more of something else, the results are called _____.
17. _____ is the quantity of a good or service _____ for sale. In general, when the supply of something is _____, the price for it is _____.
18. _____ describes the quantity of a good or service consumers are willing to _____. In general, demand goes _____ for an item as its price _____.
19. A _____ will try to maximize _____ (the amount left after costs are subtracted from the price), but will not make _____ so high that buyers reduce their _____.
20. A _____ who studies the economy is called an _____.
21. Although _____ have developed numerous _____ about how economies work, in their simplest form, there are four basic _____ that decision makers in an economy must _____.
22. Those economic questions are answered by different _____ in different ways depending on the kind of _____ a society has in place.
23. The three economic system models we will consider are a _____ economy, a _____ economy, and a _____ economy.
24. A traditional economy usually relies heavily on _____ and barter, and economic decisions are often made based on _____, beliefs, or habits.
25. In a command economy, the _____ directs the economic system and tries to _____ how producers answer the four basic economic questions.
26. In a market economy, economic _____ are made at an _____, rather than a government, level.