

The Economist's Toolbox

A. Reviewing Economics Vocabulary

Match the definition in the first column with the term it best defines in the second column. Write the letter or your answer in the blank.

- | | | | |
|--------------------------|--|-------------------------------|------------------------------|
| a. macroeconomics | b. microeconomics | c. normative economics | d. positive economics |
| _____ | 1. the study of how individuals, families, and businesses interact economically | | |
| _____ | 2. the study of economic behavior as it is | | |
| _____ | 3. the study of economic behavior which also includes judgments of what such behavior ought to be | | |
| _____ | 4. the study of the economy as a whole and how major sectors interact | | |

B. Identifying Economists' Tools

Read each situation. Decide which of the following tools an economist could best use in each situation.

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|-----------|----------------|------------|-----------|-------|
| bar graph | economic model | line graph | pie graph | table |
|-----------|----------------|------------|-----------|-------|

- 5.** An economist wants to compare the national debt of eight countries along with the percent of the gross national product (GDP) the national debt forms. _____
- 6.** An economist wants to compare the sizes of the different spending categories that form the federal budget. _____
- 7.** An economist wants to explain how money flows from financial institutions to industry and back to financial institutions. _____
- 8.** An economist wants to study how the inflation rate has changed over time. _____
- 9.** An economist wants to compare the number of doctors who work full-time in four different rural counties in a particular state. _____
- 10.** An economist wants to show how the percentage of income that people save has dropped since the 1920s. _____

C. Summarizing the Accomplishments of an Important Economist

- 11.** On the back of this page, summarize the ideas of Adam Smith and explain why they are important.