

Economics

1. Noun
2. Noun
3. Verb - Base Form
4. Verb - Base Form
5. Verb - Base Form
6. Noun
7. Adjective
8. Noun
9. Adjective
10. Verb - Base Form
11. Noun
12. Adjective
13. Noun
14. Verb - Base Form
15. Adverb
16. Adverb
17. Noun
18. Verb - Base Form
19. Adjective
20. Noun
21. Noun
22. Verb - Base Form
23. Adverb

24. Noun
25. Adjective
26. Adverb
27. Adverb
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33. Noun
34. Verb - Base Form
35. Adverb
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In _____, demand refers to the buying behavior of a household. What does this mean? Basically,

_____ want to try to _____ three things:

Why people _____ what they buy

How much they're willing to _____

How much they want to buy

Instead of looking at all _____ in the world, however, they try and model how _____ units

function: instead of asking, "How does the American market function?" they ask, "What will one household do

?" Each _____, or small-scale decision-making unit, is affected by _____ factors when

making choices about what to buy and how much to _____. For instance, if one household lives

in Florida and another lives in _____, they might have different preferences for clothing, since the

climates are so different. Consumer preferences weigh heavily in a household's buying decisions. Another factor

that affects such decisions is income: a millionaire and an _____ citizen will have very different

purchasing choices, since they have different budgets to work on. All _____ will try to _____

_____ their utility, that is, make themselves as _____ as possible, by spending what money they

have in the _____ way possible. By considering both their preferences and their budget, they ensure

that they end up with the best combination of _____ possible. Because the household is such a small

unit,

no household has a significant impact on the market, and so the _____ Verb - Base Form of any single household is its _____ Adjective effort to react to the market _____ Noun and the goods available.

At the other side of every _____ Noun is a seller. Economists _____ Verb - Base Form to the behavior of sellers as that market force of supply. It is the _____ Adverb forces of supply and demand that make up a market economy. In microeconomics, the smallest _____ Noun of supply is the firm, which is _____ Adjective to the demand unit of the household. Firms operate _____ Adverb of each other, making decisions about what to sell, and how much to sell, depending on the price. How do firms make their _____ Adverb decisions? Once they have decided what to sell, a decision they make based on what they _____ Verb - Base Form buyers will want to buy, their decision is then influenced by the market price of the goods. If a firm in Boston decides to sell _____ Adjective hats, they will want to sell more _____ Noun if the going price is high than if the going price is low. Just like households, firms try to maximize their utility when making _____ Adjective decisions.

Whereas a buyer's utility is a complex _____ Noun of preferences, needs, and happiness, economists usually assume that sellers derive utility from _____ Noun, that is, the more money a seller makes from a sale, the happier it will be. Firms will _____ Verb - Base Form their utility by selling whatever will make them the most money. In this way, sellers' utility is somewhat _____ Adverb to study and understand, since we don't have to take _____ Adjective preferences into account (in theory). Instead, we look purely at price and profit.