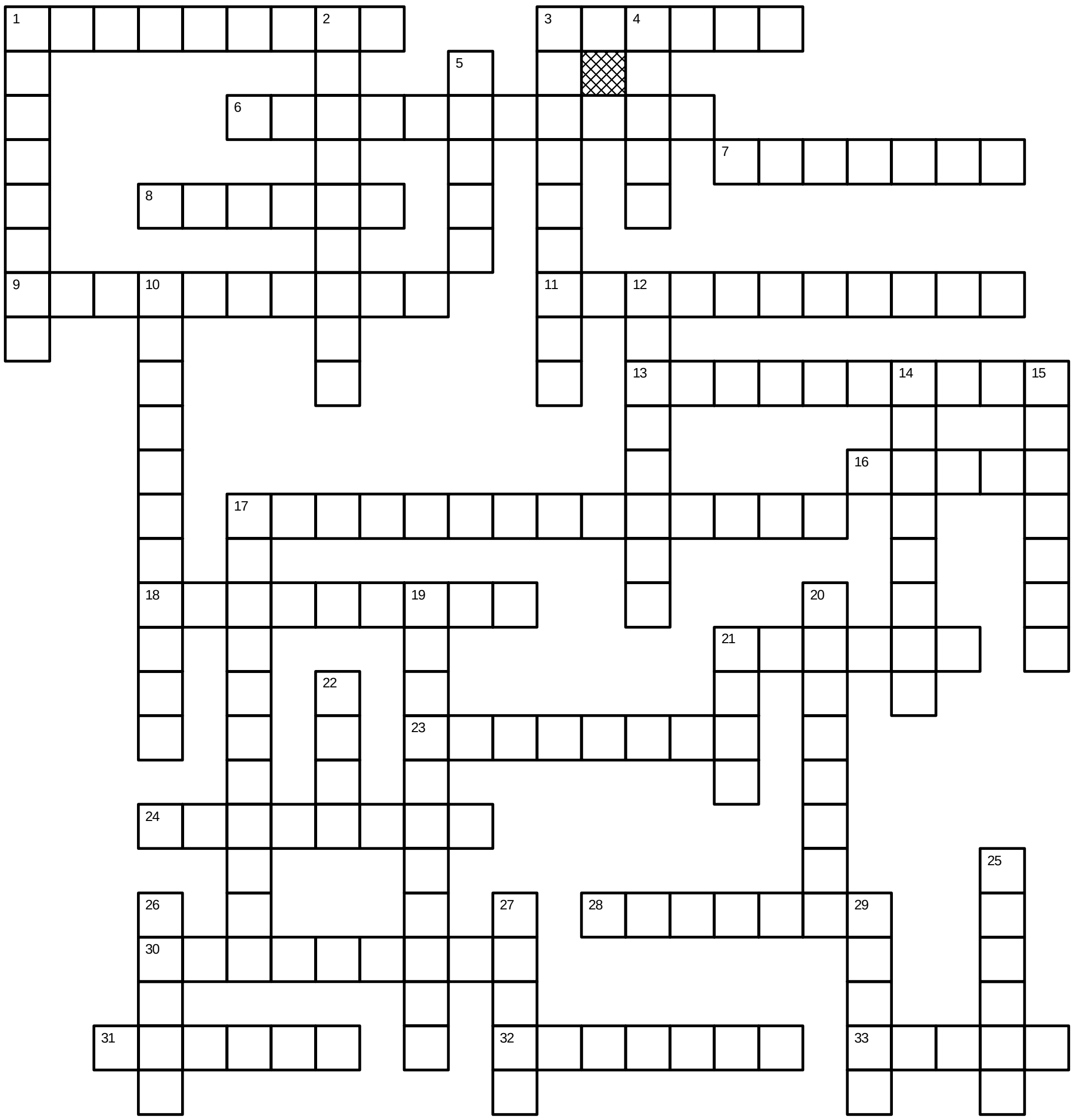
economics
Nelson/Vela

PH Chapter 6 – Prices



Across

1. Cost of production that do not fall on the producer of the good are called ____ costs, or externalities.
3. _____ prices in a market will cause existing firms to produce more goods and will attract new firms to enter a market.
6. Imperfect ____ can cause buyers or sellers to make bad choices and distort the market.
7. One central organization decides what goods are produced and how much stores will charge in a ____ economy.
8. Financial or opportunity costs consumers incur in looking for a good or service are called _____ costs.
9. Free markets usually produce of their best outcomes when they are left alone, without ____ intervention.
11. Buyers and sellers alike look at prices to find ____ on a good's demand and supply.
13. A low price _____ buyers and discourages sellers.
16. A government minimum price for a good or service is called a price _____.
17. When quantity demanded is not equal to quantity supplied in a market the market is said to be in _____.
18. All of the advantages of a free market allow prices to allocate _____ efficiently.
21. The _____ of Nations was published in 1776.

23. Other economic systems have been tried--most notably, central ______-- and have been judged by most observers to be less successful than the market system.
24. The equilibrium price is found where the ____ demanded is equal to the ____ supplied. [The same word goes in both blanks.]
28. Factors that can cause the supply curve to shift include advances in technology, new government taxes and subsidies, and ____ in the prices of the raw materials and labor used to produce the good.
30. The government places price ceilings on some goods that are considered '____' and might become too expensive for some consumers.
31. Equilibrium is a '____ target' that changes as market conditions change.
32. A government set maximum selling price for a good is a price ____.
33. If the price of steel rises, automobile manufacturers will produce ____ cars at all price levels, and the supply curve will shift to the left.

Down

1. When the quantity demanded exceeds the quantity supplied, economists call it a ____.
2. Prices are nearly always the most ____ way to allocate, or distribute, resources.
3. Dividing up gods and services using some criteria other than price, called ____, is expensive and can take a long time to organize. [Note: Economists often refer to the use of the price system as price rationing.]
4. A supply ______ is a sudden reduction in the supply of a product.
5. The author of The Wealth of Nations was Adam _____.
10. The point at which demand and supply come together is called _____.
12. Whenever the market is in disequilibrium, and prices are _____, market forces will push the market toward euilibrium.
14. Under rent control, methods other than prices, including long waiting lists, discrimination by landlords, and even bribery, are used to ____ the scarce supply of apartments among the many people who want them.
15. When quantity supplied exceeds quantity demanded at a given price, economists call this a ____.
17. A low price encourages buyers and ____ sellers.
19. Imperfect ____, such as the existence of a monopoly, can distort the market system.
20. Efficient resource allocation means that economic resources -- land, labor, and capital -- will be used for their most ____ purposes.
21. The most common example of a price floor is the minimum _____.
22. Ceiling on apartment rents are called ____ control.
25. The _____ system makes certain that consumers can buy the products they want, that sellers make enough profit to stay in business, and that sellers respond to changing needs and tastes of consumers.
26. If the minimum wage is set ____ the equilibrium rate it will have no effect.
27. When people conduct business without regard for government controls on price or quantity, they are said to do business on the ____ market.
29. Since market equilibrium occurs at the intersection of a demand curve and a supply curve, a ____ of the entire supply curve will change the equilibrium price and quantity.