

Name \_\_\_\_\_

currency	services	costs	benefits	needs
scarcity	budget	opportunity cost	producers	wants
goods	income	consumers	demand	
trade	barter	supply	economy	

**Use the vocabulary words to fill in the cloze passage on Economics.**

A country's \_\_\_\_\_ includes the way people make, buy, use, and sell things. Before Americans used dollars and cents as our form of \_\_\_\_\_, or money, many people would exchange things with others. They would \_\_\_\_\_ or \_\_\_\_\_ without using money. This would be difficult at times because people would have to decide the worth or value of their items and find someone who had something else they wanted.

The American economy has changed a lot since the days of trading and bartering. Now, we have to make choices with our money. Most people have jobs and work to earn pay called \_\_\_\_\_. Then, they decide to spend or save their money. They might use a plan for spending their money each month called a \_\_\_\_\_. They may first pay for \_\_\_\_\_, such as electric bills, house payments, groceries, and doctor visits. Then, they pay for \_\_\_\_\_, such as eating at restaurants, going to the movies, and taking vacations. People spend money on two main types of things. \_\_\_\_\_ are things people make or sell like groceries, clothes, jewelry, or video games.

\_\_\_\_\_ are forms of work people do for others such as cutting your lawn, teaching music lessons, or cleaning your house. \_\_\_\_\_ make the goods or provide services for you, such as McDonalds, Kroger, and Best Buy. When you purchase goods from these stores, you are called a \_\_\_\_\_.

Sometimes people have to make tough choices when spending their money. When there is \_\_\_\_\_, or a lack of the goods or services you want, you may have to make a different decision. For example, at your local ice cream shop, all of the ice cream choices available are called the \_\_\_\_\_. The \_\_\_\_\_ is what people are willing and able to buy. If chocolate is what you wanted but there isn't any left, the demand for that was higher than the supply available, and you will have to choose another flavor. If nobody ever orders the bubblegum flavor that means the demand is much lower.

When you are choosing how to spend your money, you need to think about what you are giving up when you make your choice. This is called the \_\_\_\_\_. You also need to think about the \_\_\_\_\_, or negative results, and the \_\_\_\_\_, or positive results. Consider the opportunity cost, costs, and benefits of how you spend your money to help you make the best choice.