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**Unit 2 Essential Questions**

1. What is a circular flow model?

2. What 2 types of markets are represented in the circular flow model?

3. What kind of income is received for each resource?

4. What is barter?

5. What is medium of exchange?

1. Name 4 additional characteristics of money.

2. What is a demand schedule?

3. What does the law of Demand state?

4. What causes a change in quantity demanded?

5. Name 3 factors that can cause the demand curve to shift.

1. When a given change in price causes a relatively larger change in quantity demanded, then demand is?

2. When a given change in price causes a relatively smaller change in quantity demanded, then demand is?

3. When a purchase can be delayed, demand is?

4. When there are few substitutes available for a good, demand is?

5. When a purchase uses a large portion of income, demand is?

1. What is a supply schedule?

2. What does the Law of supply state?

3. When the cost of inputs increases, supply will?

4. When productivity increases, supply will?

5. When taxes increase, supply will?

1. A high price is a signal for producers to do what and consumers to do what?

2. What is market equilibrium?

3. A surplus occurs when?

4. Define price ceiling and give an example.

5. Define price floor and give an example.

1. What are the 3 legal forms of business?

2. Which form of business is the most common numerically?

3. Which for of business can sell stock?

4. What is a dividend?

5. What is unlimited liability?

1. What kind of market structure has many firms and a similar product?

2. Which market structure has many firms, identical products, and no control over price?

3. Which market structure has few firms and exhibits interdependent behavior?

4. Which market structure is the most difficult to enter?

5. Who provides public goods and how are they paid for?