

## JA Exploring Economics Vocabulary (High School)

**Absolute Advantage-** The ability of a person or nation to produce a good at a lower cost than another person or nation.

**Asymmetric Information-** A market failure that occurs when one of the parties involved in a potential exchange possesses unequal information, providing an unfair advantage that leads to distrust in the interaction.

**Available Markets-** Open access for buyers and sellers to exchange goods and services.

**Collateral-** Property offered by a borrower to secure a loan, becoming subject to seizure if the borrower fails to repay.

**Command Economy-** An economic system in which the government holds most property rights.

**Comparative Advantage-** The ability of an individual or nation to produce a product at a lower opportunity cost than another individual or nation.

**Competition-** Multiple voluntary buyers and sellers.

**Consumer Price Index-** An index that measure the price of a market basket of hundreds of goods that typical consumers purchase.

**Demand-** Quantities of a particular good or service consumers are willing and able to buy at different prices at a particular time.

**Economic System-** A society's method of making decisions about the production, distribution, and consumption of goods and services.

**Economics-** A social science that studies how people, individually and in groups, decide to use scarce resources to satisfy their wants.

**Federal Reserve System-** An independent agency established by the federal government, charged with controlling the stock of money through monetary policy.

**Free Rider Problem-** When one could benefit from necessary good or service, without having to pay for it.

**Inflation-** A general rise in overall prices.

**Inflation Rate-** The percentage rate of change in the price level over time.

**Interest-** Income earned from allowing someone else to use your financial capital.

**Limited Government Participation-** Government participates only in specific market issues, such as monitoring and assisting when the market becomes significantly inefficient.

**Market Economy-** An economic system that relies on voluntary trade as the primary means of organizing and coordinating production.

**Market Clearing Price-** The price at which the amount supplied is equal to the amount demanded.

**Non-rivalry-**When one person's use of a good or service does not diminish its use for others.

**Private Goods-** Things that are individually consumed and, therefore, can be produced privately for profit because nonpayer's can be excluded from use.

**Private Property-** Resources and products that are owned by individuals or business, not the government.

**Private Sector-** The part of the economy that involves businesses and households.

**Public Goods-** Things that, once provided by the government, are available to members of society without additional cost.

**Public Sector-** The part of the economy that involves government transactions.

**Standardized Currency-** An agreed-upon, standardized source of money used for exchange between buyers and sellers.

**Supply-** An agreed-upon, standardized source of money used for exchange between buyers and sellers.

**Tariff-** A duty, or tax, on imports.

**Utility-** The usefulness or satisfaction one feels about something.