

# STUDY GUIDE

## ORIENTATION TO BUSINESS

### FINAL EXAM



#### Chapter 1 – A Look at Needs and Wants

1. Define the following terms and concepts:

- Goods
- Services
- Needs
- Resource
- Business
- Consumer

2. Most public wants are satisfied by \_\_\_\_\_,  
\_\_\_\_\_, and \_\_\_\_\_ governments.

3. What must businesses provide to consumers in order to satisfy their wants and needs?

4. Give two examples of a service.

#### Chapter 2 – Economic Resources and Systems

1. Define the following terms and concepts:

- Scarcity
- Equilibrium Price
- Natural resources
- Economics
- Market Economy

- Factors of production
  - Human resources
2. Give two examples of human resources.
  3. What do we need to turn natural resources into goods and services?

### Chapter 3 – Economic Activity in a Changing World

1. Define the following terms and concepts:
  - National debt
  - Economic indicators
2. What does gross domestic product measure?
3. What does downsizing cause?
4. Unemployment statistics are an important indicator of \_\_\_\_\_ activity.

### Chapter 5 – Entrepreneurship and Small Business

1. Define the following terms and concepts:
  - Entrepreneur
  - Business plan
2. What part of a business is the owner responsible for?
3. List some disadvantages of being an entrepreneur.
4. Why do some small businesses fail?

## Chapter 6 – Business Ownership and Operations

1. Define the following terms and concepts:
  - Sole proprietorship
  - Partnership
  - Nonprofit organization
  - Cooperative
2. A corporation is controlled by its \_\_\_\_\_,
3. Who owns the corporation?
4. Give two examples of a nonprofit organization.
5. Give one example of a cooperative.

## Chapter 22 – Making Consumer Decisions

1. Define the following terms and concepts:
  - Comparison Shopping
  - Generic Products
  - Unit Price
  - Loss Leaders
  - Shopping List
  - Label
  - Impulse buying
  - Limited-line retailer

2. Give two examples of a limited-line retailer.
3. Should you buy only brand name products? Why or why not?
4. Who has better prices—a department store or a discount store?
5. Is the most expensive item always the best? Why or why not?

### Chapter 23 – Consumer Rights and Responsibilities

1. Define the following terms and concepts:
  - Bait and switch
  - Recycling
2. Name the four rights of a consumer.
3. Give an example of the right to be informed.
4. If you wash a sweater differently than what the label says and it gets ruined, can you sue the manufacturer? Why or why not?

### Chapter 24 – Protecting Consumers

1. Define the following terms and concepts:
  - Public utility
  - Legal monopolies
  - Recall
  - Licenses

## Chapter 25 – What is Credit?

1. Define the following terms and concepts:
  - Credit
  - Mortgage
2. Do items cost more or less when you buy on credit?

## Chapter 26 – How to Get and Keep Credit

1. Define the following terms and concepts:
  - Credit bureau
  - Secured loan
2. For what reasons can people legally obtain your credit report?
3. What is one of the first things a creditor considers before lending you money?
4. Should you make more than the minimum payment on a credit card? Why or why not?

## Chapter 27 – Your Credit and the Law

1. Define the following terms and concepts:
  - Truth-in-lending disclosure
  - Right to be notified
  - Equal Credit Opportunity Act
  - Fair Debt Collection Practices Act

## Chapter 28 – Planning a Budget

1. Define the following terms and concepts:
  - Budget
  - Gross pay
  - Net pay
  - Fixed Expenses
  - Variable Expenses
2. This protects you against unexpected expenses.

## Chapter 29 – Checking Accounts

1. Define the following terms and concepts:
  - Interest-bearing account
  - Overdrawing
  - Signature card
  - Joint account
  - Outstanding check
  - Canceled check
  - Overdraft protection
  - Payee
2. What happens if you write a check to someone without enough funds to cover it?

## Chapter 30 – Savings Accounts

1. Define the following terms and concepts:

- Simple interest
- Costs of savings accounts
- Liquidity

## Chapter 31 – Investing in Stocks

1. Define the following terms and concepts:

- Stock exchange
- Blue-chip stocks
- Speculative stocks
- Capital gain
- Stock
- Investing

## Chapter 33 – Vehicle Insurance

1. Define the following terms and concepts:

- Liability insurance
- Collision insurance

2. Which is higher? Insurance for an old car or insurance for a new car?

3. The higher your deductible is, the lower this is.

## Chapter 34 – Property Insurance

1. Define the following terms and concepts:

- Business insurance