



World Studies for Georgia Students-Grade 7

Chapter 3: Economic Understandings – Section 1: Economic Basics

Guided Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. All humans have the same basic _____: air to breathe, food to eat, water to drink, and clothing and shelter to protect us.
2. Beyond these basic needs, the things we desire are called _____.
3. _____ include tangible items (things you can touch) such as food, clothing, houses, and furniture. _____ are the work or activities people perform, often for a fee.
4. A _____ is the person or group of people who use resources to make goods or provide services.
5. The factors of production are natural _____, _____ goods, human _____, and entrepreneurship.
6. _____ resources are products of the Earth and its atmosphere that are useful to humans.
7. For example, plants and animals are _____ resources. These resources are _____; they can replenish themselves over time.
8. Unlike biological resources, _____ are nonrenewable.
9. _____ goods are the tools used in the production of goods and services.
10. The term _____ resources describes the people who produce goods or services.
11. When people start their own businesses, they are called _____.
12. To be successful, the business must earn a _____ (the amount left after costs are subtracted from the price).

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13. The business must sell goods or services to generate _____. It will also have costs related to the business called _____.

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Chapter 3: Economic Understandings – Section 2: Decision Making in Economics

Guided Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. _____ exists when people and societies try to satisfy unlimited wants with limited resources.
2. Scarcity requires consumers and producers to make _____ with their limited resources.
3. Economists identify many ways in which the resource _____ decision could be made.
4. Each choice offers an opportunity that has a _____ and a _____. The _____ in any kind of decision is the value of the next best alternative a person does not choose.
5. When an individual, a business, or a government makes a choice to have less of one thing to get more of something else, the result is called a _____.
6. _____ is the quantity of a good or service available for sale.
7. _____ describes the quantity of a good or service consumers are willing to buy.
8. The _____ of goods and services are important because they help shape economic decisions.



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Chapter 3: Economic Understandings – Section 3: Basic Economic Questions and Economic Systems

Guided Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. A person who studies the economy is called an _____.
2. Therefore, every country must develop an economic _____ to determine how to use its limited resources to answer the three basic economic questions: (1) What _____ and _____ will be produced? (2) _____ will goods and services be produced? (3) For _____ are the goods and services produced?
3. All societies have an economy that _____ more than one economic system model.
4. In a _____ economy, the customs and habits of the past are used to decide what and how goods will be produced, distributed, and consumed.
5. In a _____ economy, government planning groups make the basic economic decisions to answer the three basic economic questions.
6. One _____ with the system is trying to predict exactly what goods people will need.
7. A _____ of this economy is that prices are controlled and people know exactly how much everything will cost.
8. In a _____ economy, economic decisions are made at an individual, rather than a government, level. The three basic economic questions are answered by _____ based on their beliefs about how _____ will respond to what they produce.
9. Production decisions are guided by changes in _____ that occur between individual buyers and sellers in the marketplace.

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10. There are no countries today that have pure _____ or pure _____ economies. The economies of all countries today have characteristics of both systems and are often referred to as _____ economies.
11. In order to understand where a country falls between command and market economies, we use an economic _____.
12. One of the most important economic indicators is the _____ (GDP). It measures the total _____ of the final goods and services produced within the borders of a country in one year.
13. To increase the GDP, countries must invest in _____ capital. This includes _____, training, skills, and health of the workers in a business or country.
14. To increase the GDP, countries must also invest in _____ goods. These include the factories, _____, technologies, buildings, and property needed for a business to operate.
15. The _____ (CPI) is an economic indicator that measures prices. Each month, the prices of goods and services are checked to see if they _____ or _____ in comparison with previous months.
16. Countries may _____ in the production of certain goods just as the people in the shoe factory were specialized.
17. _____ is the voluntary exchange of goods and services among people and countries.

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18. Countries sometimes try to limit trade by creating trade _____.
The most common types of trade barriers are _____ and _____.
19. _____ is the money people use to make trade easier.
20. An _____ rate is the price of one nation's currency in terms of another nation's currency.