**Chapter 4 Test Study Guide**

advertising- the use of public notices to bring attention to a
product or service

division of labor -the separation of a work process into a number
of different jobs

producer- a person or company who makes a good or a
service to sell to others

profit- the difference between a business’s total sales
and the business’s total expenses

What is an example of a need?

Which is the difference between a free market economy and a command economy?

How has technology changed communication, or the sharing of ideas and information?

Which is an example of an opportunity cost?

What term means that the amount of a resource is limited?

Which sector provides about 7 million full-time jobs in the United States?

What are the three basic questions that all economies must answer?

What are two examples of personal economic choices that people make every day?

Summarize the way in which a free enterprise system, or market economy, produces goods

and services. What do banks do with the money people
have saved?

How do banks encourage people to save money?

