

Understanding Prosperity Through Scarcity, Price, & Economy

Glossary

Directions: Scan through the list of terms. Circle the terms that are unfamiliar to you. For each of those terms read the definition and highlight the key words. Then, use the key words to write a definition in your own words. Finally, draw or find an image to represent each term.

Term	Definition	In My Words...	Image
Prosperity	Includes money, possessions, opportunities available, your health and wellness, how others treat you, and the freedom to make your own decisions.		
Economy	The system through which scarce goods and services are dispersed based off supply and demand		
Law of Supply	Economic principle that more will be offered when selling goods and services at a higher price than at a lower price.		
Law of Demand	Economic principle that more will be demanded at lower prices and less at higher prices.		

mybri.org >> Building Blocks of Progress >> Lesson 2: Understanding Prosperity Through Scarcity, Price, & Economy

PRESENTED IN PARTNERSHIP |

**BILL of RIGHTS
INSTITUTE**



**HOOVER
INSTITUTION**

**Stanford
University**

Economy	Result of free exchange		
Supply	Amount of a product or service a producer or seller would be willing and able to sell over a range of prices at any given time		
Demand	Combination of quantities that people are willing and able to buy over a range of prices at any given time		
Scarcity	Fundamental economic problem facing all economies, resulting from limited resources not being able to meet people's unlimited wants.		
Shortage	Quantity supplied is less than quantity demanded at a given price.		
Surplus	Quantity supplied is greater than quantity demanded at a given price.		
Price Ceiling	The highest legal price that can be charged for a good or service.		

Price Floor	The lowest legal price that can be charged for a good or service.		
Equilibrium	The price in which quantity supplied equals quantity demanded.		
Market	Where buyers and sellers interact to determine price and quantity demanded and supplied of a good or service.		
Benevolence	The quality of being well meaning, kindness, generous		