

**Does more money create greater prosperity? Explain.**

More money does not necessarily create greater prosperity. The definition of prosperity is “economic well-being”, which means that you are able to manage your funds wisely, not necessarily that you are rich.

**From where does the money come that the government uses to fund its programs?**

From us, the taxpayers.

**1. What do business people do when they have more products to sell than customers are willing to buy at the asking price?**

They lower the price or offer other incentives!

**2. True or False. The way to move increased production into consumption is to adjust prices upwards.**

False. Its the opposite.

**3. What is a price? What is meant by a “just price”?**

A price is the amount of money you have to pay for a good or service. A “just price” is a fair price.

**4. In a free market economy, do prices adjust to reflect consumer demand?**

Yes, as the consumer demand lessens or increases, the pricing adjusts so that more people will buy the products or services offered.

**5. What is money?**

In our society, paper and metal money is a representation of wealth, even though it has no worth on its own. It is also the most easily traded commodity in most societies.

**6. If the value of money is affected, will the prices of products and/or services also be affected?**

Yes. The prices of products and services will go up if money is more valuable, and vice versa.

**7. Name and explain the three types of economic goods.**

Consumer's goods are valued because they provide satisfaction to those who use them. Producer's goods are valued because they can be used to produce Consumer's goods, such as raw materials or tools. Money is the most easily traded commodity used to pay for these goods.

**8. What would happen to the price of oranges if a frost or freeze destroys the orange crop in Florida and California?**

The value of oranges would go up and the prices would rise.

**9. Applying the example of loss from the Montreal apartment and war in the article, what were the losses from the attack on September 11, 2001?**

There were horrible losses in human life, which hurt us economically because these people are no longer contributing anything to the economy. There was the loss of resources that were used to clear away the wreckage. There was the loss of buildings to landowners and the loss of money for insurance agencies. Lastly, there was another dip in the economy because of the money that was used to provide compensation to the families of the deceased. And it plunged us into a war that hurt us horribly in our hearts, but also in our economy.

**10. True or false. An increase in the supply of money helps those who receive some of the new supply, but it hurts those who do not.**

True.

**11. True or false. Every time a government increases the money supply, it is taking wealth from some and giving it to others.**

True.

**12. See scanned sheet.**

Requires more Research.

**13. See scanned sheet.**

Yes. Many of the dot-com business men were dependent on new money that was being constantly pumped into the economy, making the value of the dollar drop and drop and drop until the bubble burst and everyone found out that the system they were so fond of wasn't working.

**14. See scanned sheet.**

At the moment, we are in a recession, where there is less demand for products and services, the value of the dollar drops, people lose their jobs and can't pay off their loans. Because they can't afford to spend the amount they usually spend, other people are losing their jobs as their services are not needed. President Obama is attempting to help grow the economy again, but it is not an easy task. And even if he did, would it go back to the way it was before the recession, where greedy bankers and brokers make bad loans concealed in confusing legal speak and the stock market is run how it used to be? If so, I for one believe there will be another crash and recession, as our current economic system does seem to have that as part of its life cycle. Whatever happens, it will be interesting.

**15. See scanned sheet.**

I believe I will study economics to the point where I fully grasp the main concepts and many of the other points, but I don't plan to go into economics as a career. However, I do want to be able to know if someone is increasing the money supply at will, and speak out against it, as that is one of the things that has brought us to this point.