

Matching:

Match the definition in Column A with the term in Column B.

Column A

- _____ A paid person who works for a business owner.
- _____ Valuable possessions like money, property, and assets.
- _____ The study of how people make, use, and save money
- _____ Actions that maximize personal profit and drive innovation.
- _____ An economic system where private individuals or businesses own and control the means of production and operate for profit.

Column B

- a. Economics
- b. Wealth
- c. Capitalism
- d. Self-interest
- e. Employee

Short Response:

1. Describe the old belief about wealth before capitalism.

2. How did Adam Smith's ideas change the way people think about wealth?

3. How does competition influence the quality of products and services in capitalism?

4. How does capitalism give everyone a chance to build wealth?



Making Connections: Business Owner Scenario

Imagine you are a business owner. Make decisions for your business:

5. What product or service will you offer? (Think about what people need or want and how your product or service can stand out in the market.)

6. How will you determine the price for your product or service? (Consider factors like production costs, competition, and what customers are willing to pay.)

7. How will you ensure your employees are treated fairly? (Think about fair wages, working conditions, and employee benefits.)

8. What strategies will you use to attract customers? (Consider advertising, quality of your product or service, and customer satisfaction.)

Adam Smith | Answer Key

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Column B

- a. Economics
- b. Wealth
- c. Capitalism
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- e. Employee

Short Response:

1. Describe the old belief about wealth before capitalism.
People believed there was a limited amount of wealth in the world, so if someone gained wealth, others lost it.
2. How did Adam Smith's ideas change the way people think about wealth?
Adam Smith proposed that wealth could be created and expanded through innovation, production, and trade, allowing everyone to build wealth simultaneously.
3. How does competition influence the quality of products and services in capitalism?
Competition encourages businesses to improve their products and services to attract more customers, leading to higher quality and innovation.
4. How does capitalism give everyone a chance to build wealth?
Capitalism allows individuals to create and offer the best products or services, enabling them to earn money and build wealth.

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Answers will vary.

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