Unit III: The Free Enterprise System: Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Define each of the terms below in your own words, in the space provided.

2. Give an application for the magic word in the space provided. This could be a drawing diagram, sentence or example.

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| **Magic Words** | **Definition** | **Application** |
| 1. Profit motive
 |  |  |
| 1. Open opportunity
 |  |  |
| 1. Private property rights
 |  |  |
| 1. Free contract
 |  |  |
| 1. Voluntary exchange
 |  |  |
| 1. Competition
 |  |  |
| 1. Interest groups
 |  |  |
| 1. Public disclosure laws
 |  |  |
| 1. Public interest
 |  |  |
| 1. Macroeconomics
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| 1. Microeconomics
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| 1. Gross domestic product (GDP)
 |  |  |
| 1. Business cycle
 |  |  |
| 1. Work ethic
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| 1. Technology
 |  |  |
| 1. Public good
 |  |  |
| 1. Public sector
 |  |  |
| 1. Private sector
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| 1. Free rider
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| 1. Market failure
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| 1. Externality
 |  |  |
| 1. Poverty threshold
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| 1. Welfare
 |  |  |
| 1. Cash transfers
 |  |  |
| 1. In-kind benefits
 |  |  |
| 1. Temporary assistance to needy families
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| 1. Social security
 |  |  |
| 1. Unemployment compensation
 |  |  |
| 1. Workers compensation
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