

Name _____

Economic Vocabulary

TLWBAT define important terminology relating to the Great Depression

1. bankruptcy	Financial failure caused by inability to pay debts
2. bear market	Weak economy, stock prices falling, recession looming
3. bonds	Long-term loans to the gov't, paid back with interest (ex: savings bonds)
4. boom	Bull market, stock market growing, economic growth (they always end)
5. bust	Crash, severe drop in stock market prices, bubble "popping"
6. bull market	strong economy, stock prices rising, "life is good"
7. business	A profit-seeking commercial venture/enterprise
8. buying on margin	Borrowing money to buy stocks (to be paid back with interest)
9. capital	Resources needed to start up and sustain a business
10. common stock	Stock with wide variety in dividends (if any)
11. corporation	A business owned by many investors
12. default	Failure to repay a loan
13. depression	Severe economic decline, a deep recession
14. dividend	"interest" received by stockholders after a profit; a portion of earnings
15. inflation	Rise in prices beyond an increased value in goods or services
16. installment buying	Buying on credit or "time", making payments until purchase price is covered; includes interest
17. interest	The cost of borrowing money
18. investor	Someone who buys bonds and preferred (low risk, long-term) stocks
19. "laissez-faire"	"to leave to do"; policy where gov't doesn't interfere
20. loss	When costs/expenses/expenditures exceeds income/sales
21. preferred stock	Stock with a fixed dividend (a set amount), paid before common stock divs
22. profit	When income/sales exceeds costs/expenses/expenditures
23. recession	Temporary slowdown in economic activity, a mild depression
24. run on the bank	When depositors want their money back all at one time, lack of confidence in bank
25. securities	Stocks and bonds for sale
26. share	An equal portion of the value of a specific corporation (stock)
27. speculation	Buying stock at large risk in hopes of quickly selling later at a large profit
28. speculator	Someone who buys common stocks or speculates
29. stock	A share in the ownership of a company, investment
30. tariff	A tax put on foreign goods to make domestic goods cheaper
31. tax	Money assessed (taken in) by gov't; revenue (income, sales, property, etc.)
32. value/worth	Monetary worth; price for goods/services; an amount regarded as suitable; quality of something that makes it valuable, market value

