

## GLOSSARY OF CRAP IN AP

1. **absolute advantage** ang abilidad ng isang grupo o bansa na gumawa ng mas madaming produkto

2. Accounting Loss

Ang total explicit cost ay mas malaki kaysa total explicit revenue na dahilan ng pagkalugi.

3. Accounting Profit

Ang total revenue cost ay mas malaki kaysa ginastos sa capital.

4. Adaptive Expectations

Mga inaasahang resulta sa ekonomiya.

5. Add-On Rate

Isang paraan sa pagcalculate ng interest sa utang.

6. Competitive Advantage

Ang abilidad ng isang grupo o bansa na gumawa ng produkto sa pinakamababang presyong ginugol sa paggawa.

7. Advertising

Paggamit ng advertisement para magtaguyod ng produkto.

8. Aggregate Demand (AD)

Schedule (o graph) na ipinapakita ang value of output na idedemand sa iba't ibang presyo.

9. Allocative Efficiency

Pagkuha ng kalamangan sa bawat oportunidad para magnegosyo ang indibidwal habang di naaapektuhan ang kondisyon ng ibang tao.

10. Allowance

Salaping ibinibigay sa isang tao (kadalasang bata)

11. Competitive Disadvantage

Ang hindi kakayahang makagawa ng produkto sa pinakamababang presyong igugugol sa paggawa.

12. Asset

Bagay na may halaga at pagmamay-ari ng isang organisasyon.

13. Automated Teller Machine (ATM)

Machine na naglalaan ng pera at gumagawa ng serbisyong pangbangko.

#### 14. Bait and Switch

Ang paganunsiyo ng produkto (kadalasang illegal) na may intensiyong bumili ng mas mataas na presyo ang mga kostumer

#### 15. Balance of Payments

Record ng lahat ng transaksyon (in goods, services, physical and financial assets) between individuals, firms and governments of one country with those in all other countries in a given year, expressed in monetary terms.

#### 16. Absolute Disadvantage

Ang hindi kakayahang makagawa ng isang bansa na gumawa ng maraming produkto sa pinagkukunang-yaman.

#### 17. Bank

A financial institution that provides various products and services to its customers, including checking and savings accounts, loans and currency exchange.

#### 18. Brand

A trade name used to identify a product produced by a particular company, distinguishing it from similar products produced by competitors.

#### 19. Budget

A spending-and-savings plan, based on estimated income and expenses for an individual or an organization, covering a specific time period.

#### 20. Budget Deficit

Refers to national budgets; occurs when government spending is greater than government income in a given year. A yearly deficit adds to the public debt.

#### 21. Budget Surplus

Refers to national budgets; occurs when government income is greater than government spending in a given year.

#### 22. Business

Any activity or organization that produces or exchanges goods or services for a profit.

#### 23. Capacity

In the context of credit transactions, capacity is one of the Three Cs of Credit. It is an indicator of how creditworthy a prospective borrower is likely to be, as determined by the borrower's current and future earnings relative to current debt. High earnings and low debt, for example, indicate a strong capacity to make payments on the loan in question.

#### 24. Capital

Resources and goods made and used to produce other goods and services. Examples include buildings, machinery, tools and equipment. In the context of credit transactions, capital is one of the Three Cs of Credit. It is an indicator of how creditworthy a prospective borrower is likely to be as determined by the borrower's current financial assets and net worth.

#### 25. Capital Gain

A profit realized from the sale of property, stocks or other investments.

#### 26. Capital Loss

A loss suffered upon the sale of property, stocks or other investments for less money than the purchase price of the asset in question.

#### 27. Cash

Money in the form of paper currency or coins (as distinct from checks, money orders or credit).

#### 28. Check

A written order to a financial institution directing the financial institution to pay a stated amount of money, as instructed, from the customer's account.

#### 29. Coins

Government-issued pieces of metal that have value and are used as money.

#### 30. Collusion

A secret agreement between firms to fix prices or engage in other activities to restrict competition in an industry; illegal in the United States.

#### 31. Communism

In theory, an economic system based on a classless society, common ownership of all resources, the complete disappearance of government and income allocated according to need. In practice, communism usually refers to the command economic system in existence in the former Soviet Union before its downfall in 1990-1991, and in other countries such as China and Cuba.

#### 32. Consume

To buy and use a good or service.

#### 33. Consumers

People who use goods and services to satisfy their personal needs and not for resale or in the production of other goods and services.

#### 34. Corporation

A legal entity owned by shareholders whose liability for the firm's losses is limited to the value of the stock they own.

#### 35. Cost-Push Inflation

Inflation caused by rising costs of production.

#### 36. Costs

An amount that must be paid or spent to buy or obtain something. The effort, loss or sacrifice necessary to achieve or obtain something.

#### 37. Costs of Production

Amounts paid for resources (land, labor, capital and entrepreneurship) used to produce goods and services.

#### 38. Credit

The opportunity to borrow money or to receive goods or services in return for a promise to pay later.

#### 39. Credit Card

A small, specially coded plastic card issued by a bank, business, etc., authorizing the cardholder to purchase goods or services on credit.

#### 40. Debit Card

A small, specially coded plastic card issued by a bank; allows the cardholder to transfer funds electronically and immediately from his or her checking account, as if the cardholder were writing a check to pay for a purchase.

#### 41. Debt

Money owed to someone else. Also the state or condition of owing money. Can be individual, corporate or government debt.

#### 42. Decision

A conclusion reached after considering alternatives and their results.

#### 43. Deflation

A sustained decrease in the average price level of all the goods and services produced in the economy.

#### 44. Demand

The quantity of a good or service that buyers are willing and able to buy at all possible prices during a period of time.

#### 45. Demand-Pull Inflation

Inflation caused by increasing demand for output or "too much money chasing too few goods."

#### 46. Depression

A severe, prolonged economic contraction.

#### 47. Durable Goods

Goods intended to last for a period of more than three years.

#### 48. Earned Income

Money received for work performed; may include salary, wages, tips, professional fees, commissions, etc.

#### 49. Economic Freedom

The freedoms of the marketplace--the freedom of consumers to decide how they wish to allocate their spending among various goods and services; the freedom of workers to choose to change jobs, join unions and go on strike; the freedom of individuals to establish businesses and to decide what to produce and when to change their pattern of production; and the freedom of savers to decide when and where to invest their savings.

#### 50. Economic Growth

An increase in real output as measured by real GDP or per capita real GDP.

#### 51. Economic Loss

Total revenue is less than total costs when total costs include all opportunity costs.

#### 52. Economic Profit

A firm's total revenue minus all explicit and implicit costs of production, including opportunity costs.

#### 53. Economic Rent

Payment for the use of something that is in fixed or perfectly inelastic supply; earnings in excess of the earnings required to keep a resource in its current use; the portion of a resource's earnings that is not necessary to keep the resource in its present use.

#### 54. Economic Security

Protection against economic risks, such as unemployment, accidents on the job, business failures or natural disasters, over which people have little or no control.

#### 55. Economics

The study of how people, firms and societies choose to allocate scarce resources with alternative uses.

#### 56. Elasticity of Demand

Price elasticity of demand is the percentage change in quantity demanded as a result of the percentage change in demand price. Generally, a relative response of a change in quantity demanded to a relative change in price.

#### 57. Employment Rate

The percentage of the total population aged 16 or over that is employed.

#### 58. Endorsement

A signature on the back of a check instructing the bank as to how the check may be cashed. There are three types of endorsement. Blank endorsement: The signature makes the check as good as cash to anybody who holds it. Restrictive endorsement: The signature tags the check for a specific purpose, such as "for deposit only" to a checking or savings account. Special endorsement: The signature allows the holder to transfer the check to another person.

#### 59. Entrepreneur

One who draws upon his or her skills and initiative to launch a new business venture with the aim of making a profit. Often a risk-taker, inclined to see opportunity when others do not.

#### 60. Equilibrium Price

The price at which the quantity demanded by buyers equals the quantity supplied by sellers; also called the market-clearing price.

#### 61. Equilibrium Quantity

The quantity demanded and quantity supplied at the equilibrium or market-clearing price.

#### 62. Exchange

Trading a good or service for another good or service, or for money.

#### 63. Expenses

Payments for goods and services.

#### 64. Exports

Goods and services produced in one nation and sold in other nations.

#### 65. Factor Prices

The prices of land, capital, labor and entrepreneurship.

#### 66. Fiscal Policy

Changes in the expenditures or tax revenues of the federal government, undertaken to promote full employment, price stability and reasonable rates of economic growth.

#### 67. Fixed Expenses

Expenditures that are the same from week to week or month to month, such as mortgage or rent payments and car payments.

68. Fixed Income

Income that stays the same from week to week or month to month. Usually refers to income from pensions or bonds.

69. Fraud

Wrongful or criminal deception intended to manipulate a person for the purpose of gain, usually financial.

70. Free Trade

The voluntary exchange of goods and services in the absence of trade barriers and restrictions.

71. Goods

Tangible objects that satisfy economic wants.

72. Gross Income

A total amount of money earned (from salaries, wages, etc.) before taxes and other deductions are withheld. Also known as gross pay.

73. Human Capital

The health, education, experience, training, skills and values of people. Also known as human resources.

74. Hyperinflation

A very rapid rise in the overall price level.

75. Implicit Cost

The monetary income a firm sacrifices when it employs a resource it owns to produce a product rather than supplying the resource in the market; equal to what the resource could have earned in the best-paying alternative employment.

76. Imports

Goods and services bought from sellers in another nation.

77. Income

Payments earned by households for selling or renting their productive resources. May include salaries, wages, interest and dividends.

78. Income Tax

Payments made by individuals and corporations to the federal government (and to some state and local governments) based on income received (both earned and unearned).

#### 79. Inflation

A rise in the general or average price level of all the goods and services produced in an economy. Can be caused by pressure from the demand side of the market (demand-pull inflation) or pressure from the supply side of the market (cost-push inflation).

#### 80. Interest

Money paid regularly, at a particular rate, for the use of borrowed money.

#### 81. Interest Rate

The price paid for using someone else's money, expressed as a percentage of the amount borrowed.

#### 82. Investment

The purchase of capital goods (including machinery, technology or new buildings) that are used to produce goods and services. In personal finance, the amount of money invested in stocks, bonds, mutual funds and other investment instruments.

#### 83. Job

A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment.

#### 84. Keynesian Theory

The macroeconomic theory holding that business cycles are caused by changes in aggregate demand and that such cycles can and should be influenced by fiscal and monetary policy undertaken to promote economic stability.

#### 85. Labor

The quantity and quality of human effort available to produce goods and services.

#### 86. Land

"Gifts of nature" that can be used to produce goods and services; for example, oceans, air, mineral deposits, virgin forests and actual fields of land. When investments are made to improve fields of land or other natural resources, those resources become, in part, capital resources. Also known as natural resources.

#### 87. Law of Demand

As the price of a good or service rises (or falls), the quantity of that good or service that people are willing and able to buy during a certain period of time falls (or rises).

#### 88. Law of Supply

As the price of a good or service that producers are willing and able to offer for sale during a certain period of time rises (or falls), the quantity of that good or service supplied rises (or falls).

#### 89. Lend

To grant someone the use of something, on condition that the object borrowed or its equivalent will be returned (often with interest, in the case of money).

#### 90. Liability

Legal responsibility to pay for damages or losses one has caused.

#### 91. Macroeconomic Equilibrium

The equilibrium level of output and the price level where aggregate demand equals aggregate supply.

#### 92. Macroeconomics

The study of economics concerned with the economy as a whole, involving aggregate demand, aggregate supply, and monetary and fiscal policy.

#### 93. Market Economy

An economy that relies on a system of interdependent market prices to allocate goods, services, and productive resources and to coordinate the diverse plans of consumers and producers, all of them pursuing their own self-interest.

#### 94. Markets

Places, institutions or technological arrangements where or by means of which goods or services are exchanged. Also, the set of all sale and purchase transactions that affect the price of some good or service.

#### 95. Microeconomics

The study of economics concerned with individual units of the economy such as households, firms and markets; with how prices and outputs are determined in those markets; and with how the price mechanism allocates resources and distributes income.

#### 96. Minimum Payment

In a credit arrangement, the lowest amount that a borrower must pay toward the credit balance each month in order to avoid a penalty.

#### 97. Money

Anything that is generally accepted as final payment for goods and services; serves as a medium of exchange, a store of value and a standard of value. Characteristics of money are portability, stability in value, uniformity, durability and acceptance.

#### 98. Monopoly

A market structure in which there is a single supplier of a good or service. Also, a firm that is the single supplier of a good or service for which there are no close substitutes; also known as a monopolist.

99. Monopsony

A market situation in which there is only one buyer of a resource. Also, a firm that is the only buyer of a resource; also known as a monopsonist.

100. Mortgage

A special type of loan for the purchase of a house or other real estate.

101. Net Pay

The amount of money a person receives within a pay period after taxes and other deductions are taken out of his or her paycheck.

102. Net Worth

The current value of a person's assets minus liabilities.

103. Nonprofit Organization

An organization that is exempt from federal (and sometimes state) taxes; receives income from donors, subsidized beneficiaries and, indirectly, taxpayers; and therefore should provide its goods or services free or below cost.

104. Oligopoly

A market structure in which a few, relatively large firms account for all or most of the production or sales of a good or service in a particular market, and where barriers to new firms entering the market are very high. Some oligopolies produce homogeneous products; others produce heterogeneous products.

105. Operating Costs

The expenses of doing business.

106. Partnership

A business with two or more owners who share the firm's profits and losses.

107. Perfectly Elastic Supply

A situation in which the smallest change in price would lead to an infinite change in quantity supplied. Sellers will make available as much of the product or resource as buyers will purchase at a constant price.

108. Perfectly Inelastic Demand

A situation in which there is no change in the quantity demanded as the price changes.

#### 109. Perfectly Inelastic Supply

A situation in which supply will not change regardless of the change in price or the length of time allowed for change.

#### 110. Periodic Income

Money received but not earned on a regular schedule--for example, from occasional baby-sitting jobs, summer jobs and gifts from relatives.

#### 111. PIN (Personal Identification Number)

A confidential code used to access private financial information or to make transactions (at an ATM, for example).

#### 112. Poverty

The state of being poor, variously defined. Sometimes defined relatively--by reference, for example, to the average household income in a nation or region. Sometimes defined absolutely--by reference, for example, to the income needed to provide for adequate food, housing and clothing in a nation or region.

#### 113. Premium

The fee paid for insurance protection.

#### 114. Price

The amount of money that people pay when they buy a good or service; the amount they receive when they sell a good or service.

#### 115. Price Ceiling

A legally established maximum price that may be charged for a good or service.

#### 116. Price Elasticity of Demand

The responsiveness of the quantity demanded of a good or service to changes in its price. The price elasticity of demand is the percentage change in quantity demanded divided by the percentage change in price.

#### 117. Price Elasticity of Supply

The responsiveness of the quantity supplied of a good or service to changes in its price. The price elasticity of supply is the percentage change in quantity supplied divided by the percentage change in price.

#### 118. Price Floor

A legally established minimum price that may be charged for a good or service.

119. Producers

People and firms that use resources to make goods and services.

120. Product

A good or service that can be used to satisfy a want.

121. Profit

Income received for entrepreneurial skills and risk taking, calculated by subtracting all of a firm's explicit and implicit costs from its total revenues.

122. Progressive Tax

A tax that take a larger percentage of income from people in higher-income groups than from people in lower-income ones; the U.S. federal income tax is an example.

123. Property Tax

A tax on land and structures built on it. Payments go to state and/or local governments to pay for police protection, public schools, libraries, etc.

124. Proportional Tax

A tax that takes the same percentage of income from people in all income groups.

125. Public Goods

Goods, often supplied by the government, for which use by one person does not reduce the quantity of the good available for others to use, and for which consumption cannot be limited to those who pay for the good.

126. Purchases

In a credit arrangement, the total amount spent during the billing cycle.

127. Quantity Demanded

The amount of a good or service people will buy at a given price in a given period of time.

128. Quantity Supplied

The amount of a good or service sellers are willing and able to offer at a given price in a given period of time.

129. Real Estate

Property such as land, houses and office buildings.

#### 130. Resources

The basic kinds of resources used to produce goods and services: land or natural resources, human resources (including labor and entrepreneurship), and capital.

#### 131. Resume

A document describing a job-seeker to prospective employers. Usually includes the job-seeker's name, telephone number, address, e-mail address, career objective, education, work experience, abilities, awards, offices held in organizations and special interests.

#### 132. Return

Earnings from an investment, usually expressed as an annual percentage.

#### 133. Revenue

The money a business receives from customers who buy its goods and services. Not to be confused with profit.

#### 134. Risk

The chance of losing money.

#### 135. Risk/Reward Ratio

As applied to investments: the greater the risk, the greater the potential reward. For example: passbook savings accounts offer depositors very low risk but also low rates of interest; growth stocks are much riskier, but they offer a potential for big gains.

#### 136. Salaries

Payments for labor resources; unlike wages, not explicitly based on the number of hours worked. See also Wages.

#### 137. Salary

A regular payment, often at monthly or biweekly intervals, made by an employer to an employee, especially in the case of professional or white-collar employees. Salaries are paid for services rendered and are not based on hours worked.

#### 138. Sale

An exchange of goods or services for money.

#### 139. Sales Revenue

The money a business receives from customers who buy its goods and services. Not to be confused with profit.

#### 140. Sales Tax

Tax in the form of a percent of the cost of a good or service; paid to local and state governments when goods and services are purchased.

141. Save

To keep money for future use; to divert money from current spending to a savings account or another form of investment.

142. Savers

Persons who desire to conserve their monetary funds to the best of their ability.

143. Savings

Money set aside for a future use that is held in easily-accessed accounts, such as savings accounts and certificates of deposit (CDs).

144. Savings Account

An interest-bearing account (passbook or statement) at a financial institution.

145. Scarcity

The condition that exists because human wants exceed the capacity of available resources to satisfy those wants; also a situation in which a resource has more than one valuable use. The problem of scarcity faces all individuals and organizations, including firms and government agencies.

146. Secondary Effects

Effects indirectly related to a course of action whose influence will only be seen or felt later in time.

147. Secondary Market

A market in which stocks can be bought and sold once they are approved for public sale; for example, the New York Stock Exchange.

148. Service Charge

A fee charged by a financial institution for certain financial services provided to customers.

149. Services

Activities performed by people, firms or government agencies to satisfy economic wants.

150. Short-Term Goal

Something a person or organization plans to achieve within a one-year time period.

151. Shortage

The situation that results when the quantity demanded for a product exceeds the quantity supplied. Generally happens because the price of the product is below the market equilibrium price.

152. Signature Card

A document bearing a person's signature, held on file in a financial institution. In cases of suspected forgery, signatures of doubtful origin can be checked against those recorded on signature cards.

#### 153. Simple Interest

Interest paid on the initial investment (the principal) only. Calculated by multiplying the investment principal times the annual rate of return times the number of years involved.

#### 154. Social Security

A federal system of old-age, survivors', disability and hospital care (Medicare) insurance which requires employers to withhold (or transfer) wages from employees' paychecks and deposit that money in designated accounts.

#### 155. Social Security Tax

A tax levied on employers and employees to finance public Social Security benefits.

#### 156. Sole Proprietorship

A business owned by one person who receives all the profits and is responsible for all the debts incurred by the business.

#### 157. Special Interest Group

An organization of people with a particular legislative concern. They work together to gather information, lobby politicians and publicize their concern.

#### 158. Specialization

A situation in which people produce a narrower range of goods and services than they consume. Specialization increases productivity; it also requires trade and increases interdependence.

#### 159. Spend

Use money now to buy goods and services.

#### 160. Spending Diary

A record of spending over a period of time.

#### 161. State Income Tax

A percentage of income paid by individuals and businesses to a state government to fund services such as roads, safety and health. Not all states levy an income tax.

#### 162. Stock

An ownership share or shares of ownership in a corporation.

#### 163. Stock Market

A market in which the public trades stock that someone already owns; the buying and selling of stock.

#### 164. Substitute

A good or service that may be used in place of another good or service; examples include tap water for bottled water (or vice versa) and movies for concerts (or vice versa).

#### 165. Supply

The amount of a good or service that producers are willing and able to offer for sale at each possible price during a given period of time. Normally, as the price of a good or service rises (or falls), the quantity supplied of the good or service rises (or falls).

#### 166. Surplus

The situation that results when the quantity supplied of a product exceeds the quantity demanded. Generally happens because the price of the product is above the market equilibrium price.

#### 167. Tariff

A tax on an imported good or service.

#### 168. Taxation

Taxation is the process in which a charge is imposed upon a taxpayer by a state or a legal equivalent of a state.

#### 169. Taxes

Compulsory payments to governments by households and businesses.

#### 170. Technological Changes

Improvements in a firm's ability to produce due to improved processes, methods and machines.

#### 171. Trade

The exchange of goods and services for money or other goods and services.

#### 172. Trade Barriers

Restrictions that prevent free trade among nations. Examples include tariffs, import and export quotas, and nontariff restrictions such as licensing requirements and bureaucratic red tape.

#### 173. Trade-off

The giving up of one benefit or advantage in order to gain another regarded as more favorable.

#### 174. Traditional Economy

An economy in which customs and habits from the past are used to resolve most economic issues of production and distribution.

#### 175. Transaction Costs

Costs associated with buying or selling goods and services that are not included in the money prices of those goods and services. Examples include obtaining information on prices and product quality, searching for sellers, and bargaining costs.

#### 176. Transfer Payments

Money collected by the government from one group and given to others. Examples include Social Security benefits, unemployment insurance payments and agricultural subsidies.

#### 177. Unemployment

The number of people without jobs who are actively seeking work.

#### 178. Unemployment Rate

The number of unemployed people, expressed as a percentage of the labor force.

#### 179. Unintended Consequences

The unexpected and unplanned results of a decision or action.

#### 180. Unit Pricing

The cost per unit of measurement. A way for consumers to compare the costs of different sizes of the same item.

#### 181. Unplanned Spending

Impulsive use of money with little or no consideration of alternatives and resulting in unplanned consequences.

#### 182. Unsecured Debt

Debt without collateral; credit card debt, for example.

#### 183. Usury Law

A law which establishes a maximum permissible interest rate for a particular type of loan. Loans at rates above the usury ceiling are illegal.

#### 184. Utility

An abstract measure of the satisfaction consumers derive from consuming goods and services.

#### 185. Value Added

The difference between the value of output and the value of the intermediate goods used in the production of that output.

#### 186. Value of Money

The ability of money to buy goods and services. A wide variety of items has been used as money. Money need not have any intrinsic value. It is people's willingness to accept it that gives it value.

#### 187. Variable Expenses

Expenditures that change from week to week or month to month--for food, clothing, recreation and entertainment, for example.

#### 188. Variable Income

Income that varies from week to week or month to month.

#### 189. Voluntary Exchange

Trading goods and services with other people because both parties expect to benefit from the trade.

#### 190. W-2 Form

A federal income tax document that employers complete and send to their employees and to the Internal Revenue Service at the end of a year; shows employee compensation and taxes withheld.

#### 191. W-4 Form

A federal income tax document that instructs an employer about how much money to withhold from an employee's paycheck for tax purposes.

#### 192. Wage

Payments for labor services that are directly tied to time worked, or to the number of units of output produced.

#### 193. Withdrawal

The removal of money by a depositor from a financial account.

#### 194. Withholding

Money taken out of an employee's paycheck and sent to the government and credited to the employee's tax bill.

#### 195. Work

Effort applied to achieve a purpose or result, often for pay; skills and knowledge put to use to get something done; employment at a job or in a position; occupation, profession, business, trade, craft, etc.

#### 196. Work Ethic

A system of values in which central importance is ascribed to work and to qualities of character believed to be promoted by work; a sense of responsibility for doing a job well.

#### 197. Work Skills

Ability to do things demanded in particular jobs.

198. Workers

People employed to do work, producing goods and services.

199. World Bank

An international organization that makes loans and provides technical expertise to developing nations.

200. World Trade Organization (WTO)

A trade agreement among over 100 nations that specifies the level of tariffs among the signatories and attempts to resolve trade disputes.