

Glossary

The glossary below presents definitions of those terms that are italicized in the social studies Grade-Level Expectations.

Absolute location “Absolute location” pertains to identifying where a place is on the surface of the earth using some arbitrary, mathematical grid system, such as latitude and longitude. One can use absolute location to identify where a place is anywhere on earth, even on the ocean.

Barter “Barter” is the direct trading of goods and services without the use of money.

Business cycles “Business cycles” are short-term fluctuations in business activity; that is, a period of economic growth in real GDP followed by a period of decline in real GDP—a recession or depression—followed by a period of economic growth, and so on. See “Gross Domestic Product (GDP).”

Capital resources “Capital resources,” often called capital goods, refers to goods used to produce other goods and services. Capital resources may be buildings, equipment, machinery, tools, ports, and dams, provided that those items are used to produce other goods and services.

Columbian Exchange “Columbian Exchange” refers to the major changes worldwide of flora, fauna, ways of thinking, and technologies that followed from the voyages of Columbus and other Europeans to the Americas.

Common good “Common good” refers to some program or action that is of benefit to society as a whole. Laws to set up parks, public schools, and public libraries are passed to promote the common good.

Comparative advantage A person or nation has a comparative advantage in the production of a good or service if that person or nation can produce the

good or service at a lower opportunity cost than that of other person or nation.

Consumer “Consumers” are people who buy goods and services to satisfy their wants.

Consumption “Consumption” may be defined as the use of goods and services by consumers, businesses, or governments.

Cost-benefit analysis “Cost-benefit analysis” refers to an appraisal of whether the benefits of carrying out a project or decision outweigh the costs of carrying out the project or decision.

Demand “Demand” refers to the different quantities of a resource, good, or service that will be purchased at various prices during a given period of time. According to the law of demand, the lower the price of a good or service, the more of it will be purchased, whereas the higher the price, the less of it that will be purchased.

Democracy A democracy is a system of government in which rule is by the people, either as a direct democracy where the people make their own laws or as a representative democracy, a republic, in which laws are made by the people’s elected representatives.

Demographics “Demographics” refers to population statistics, changes, and trends based on various measures of fertility (adding to a population), mortality (subtracting from a population), and migration (redistribution of a population).

Economic goals “Economic goals” may be defined as important societal goals that pertain to economics, such as economic choice, security, growth, equality, and efficiency.

Ecosystem “Ecosystem” is a term that means the same thing as an “ecological system.” Such a system is formed by the interaction of all living organisms (plants, animals, people) with each other and with the physical and chemical factors in the environment in which they live. They may vary in size from a pond, to a stand of giant redwoods, to a huge continent-wide belt like the tundra or the Sahara Desert, to the entire planet.

Environment Human use of the environment is synonymous with how people use their surroundings.

Factors of production “Factors of production” are the inputs into the production process: land (natural resources), labor (human resources), and capital. “Human resources” and “capital resources” are defined elsewhere in the glossary.

Federalism “Federalism” refers to a political system in which a national government shares powers with state or provincial governments. Each level of government has definite powers and each level of government may act directly on individuals within its jurisdiction. In the United States federal system some powers are given to the federal government, some are given to the state government, some powers are shared, and some powers are given to neither government.

Fiscal policy “Fiscal policy” refers to those government decisions taken with regard to taxing and spending money that are made in order to achieve economic goals.

Gross Domestic Product (GDP) “Gross Domestic Product” is the most inclusive measure of an economy’s output. It is defined as the market value of the total output of final goods and services produced in one year. “Nominal GDP” refers to the output of goods and services in terms of current prices, whereas “real GDP” refers to the output of goods and services in terms of constant prices, which is in terms of prices where corrections are made for changes in the value of the dollar. “Per

capita GDP” is the GDP in an economy divided by the number of people in that economy.

Growth, economic “Economic growth” refers to an increase in the actual amount of goods and services produced per person in an economy in a given period of time, i.e., an increase in the real per capita GDP.

Human characteristics of a place The “human characteristics of a place” pertain to those features of a place that are the result of human activity. Places vary in the nature of their populations, their population densities, the ethnic makeup of the people, the languages most commonly found, the dominant religions, and the forms of economic, social, and political organization.

Human resources “Human resources” refers to the quantity and quality of human effort directed to the production of goods and services. One type of human resource is an entrepreneur. An entrepreneur is a person who assumes the risk of organizing productive resources to produce goods and services.

Individuals from Missouri who have made contributions to our state and national heritage In that part of the Grade 4 assessment that pertains to Standard 2, the benchmark statements indicate that students should know about individuals from Missouri who have made contributions to our state and national heritage. The intent is that students know about a variety of people who have made such contributions—people who lived in different time periods, who came from different cultural backgrounds, and who contributed in different ways (e.g., in exploration and community building, in business and trades, in politics, in education, in the sciences, and so on). The Department of Elementary and Secondary Education has not produced an official list of such people because it is more important that teachers and students decide for themselves which people would be most important. Consequently, assessment items developed for the Missouri Assessment Program in social studies will be designed to allow students to show what they

have learned rather than to assess students' memorization of trivia. A useful fourth grade source for teachers to use to find such people is the textbook *Missouri: Then and Now*, which was written by Perry Candles and William Foley.

Inflation "Inflation" may be defined as a rise in the general level of prices in an economy.

Interdependent People are interdependent when they rely upon each other to meet their needs. For example, people in rural areas are dependent upon industrial areas to obtain the farm machinery they need, and people who live in industrial areas depend upon rural areas to obtain the food they need.

Investment "Investment" refers to the use of resources by businesses, individuals, or government to increase productive capacity by developing new technology, obtaining new capital resources, or improving the skills of the work force. Examples are as follows: A restaurant buys new stoves in which to bake bread; an individual buys tools to make some repairs; and a school buys new computers and textbooks.

Laissez faire "Laissez faire" pertains to the practice of letting people do as they please without interference or direction. Laissez faire in an economy refers to letting owners of businesses or industries fix the rules of competition or the conditions of labor as they please without government regulation or control.

Laissez faire as a leadership style pertains to a type of leadership where the leader lets those under his authority do as they please without his interference.

Limited government "Limited government" may be defined as a government whose powers are limited through constitutionally-imposed restrictions.

Location "Location" refers to the position of some place or region on the surface of the earth. See absolute location and relative location.

Majority rule "Majority rule" refers to a pattern of decision making where decisions are made by vote and a decision requires the support of more than half of those voting.

Market economy A market economy is an economy in which the major decisions about production and distribution of goods and services are made in a decentralized manner by individual households and business firms following their own self interest.

Mental maps "Mental maps" refers to the mental images or conceptions a person has of an area, including his or her knowledge of features and spatial relationships. One person's mental map may be more accurate and complete than another person's. People in the United States often have an image of the world with the United States in the center of a flat map, whereas, people in China often have an image of the world with China in the center of a flat map.

Monetary policy "Monetary policy" pertains to those actions taken in an economy to control the total money supply in order to promote economic growth or price stability. Monetary policy in the United States is exercised by the Federal Reserve Bank. It strives to exercise control of the money supply by changing reserve requirements in member banks, by changing discount rates (the rate of interest at which it loans money to member banks, and by buying and selling government securities.

Money "Money" is anything that people generally accept as a medium of exchange with which to buy goods and services, that serves as a standard of value, and that has a store of value.

Natural Resources "Natural resources" are those "gifts of nature"—e.g., land, trees, water, fish, petroleum, mineral deposits, fertile soils, and favorable climatic conditions for growing crops—that are used to produce goods and services.

Opportunity cost “Opportunity cost” is the most important alternative that is given up as a result of a specific economic decision. The opportunity cost of purchasing an automobile for an eighteen-year-old boy may be that he cannot afford to attend college.

Place “Place,” as the term is used by geographers, pertains to those physical characteristics and human characteristics that may be used to describe an area.

Physical characteristics of a place The “physical characteristics of a place” pertain to such features as landforms, water bodies, climate, soils, natural vegetation, and animal life, which have resulted from geological, hydrological, atmospheric, and biological processes.

Popular sovereignty Under “popular sovereignty,” the power to govern belongs to the people. The people, in turn, entrust that power to the government, which is under their control.

Primary sources “Primary sources” pertain to sources that are firsthand that may be used by historians in trying to reconstruct and interpret the past. Examples of primary sources are original documents (photocopies are often considered primary sources too), eye witness accounts of an event, perhaps found in a diary, documents, photographs of people, texts of speeches, etc. Just because a source is a primary source, however, does not mean that it is to be taken to be fully true. A person who observed an event and who describes it may perceive it inaccurately because of his personal frame of reference. For example, in the history of this nation in the years before the Civil War, two people may observe the sale of a slave and describe it in very different ways. One person may be a slave owner; the other person a slave about to be sold. Historians examine primary sources, just as attorneys examine witnesses.

Private goods “Private goods” may be defined as those goods that producers can withhold from consumers who refuse to pay for them, where the consumption of the product or service by one

person reduces its usefulness to others. One example is a hamburger. See also “public goods.”

Producers “Producers” are people who combine resources to make goods and services.

Production “Production” refers to the activity of combining resources to make goods and services.

Productivity “Productivity” is defined as the quantity of goods and services produced by an individual, a company, a sector of the economy, or an economy in a given amount of time.

Profit “Profit” is the difference between the total revenue and the total cost of a business.

Profit motive “Profit motive” pertains to a person’s motivation to make a profit, to earn money as an entrepreneur.

Public goods “Public goods” are goods or services that cannot be withheld from customers who refuse to pay for them (nonexclusion), where the consumption of products or services by one person does not reduce its usefulness to others. Examples include national defense, street lighting, flood control, public safety, and fire protection in a crowded neighborhood. See also “private goods.”

Region “Region” may be defined as an area that displays unity in terms of one or more selected criteria. Regions may be defined by political boundaries (Kansas City, Osage County, Missouri, Canada, etc.), types of terrain (plains, mountainous, etc.), how land is used (business district, ranch, cotton-producing region, etc.), rainfall (desert, rain forest, etc.), soil type (sandy, rocky, clay, etc.), dominant religion of the people.

Relative location “Relative location” pertains to identifying where a place is by explaining where it is in relation to some known places. For example, St. Louis is located a short distance south of the junction of the Missouri and Mississippi rivers.

Republic A republic is a political system in which the people exercise their political power through elected representatives and in which there are no inherited public offices.

Responsibility “Responsibility” pertains to a people’s duties or obligations. In a society where citizens have rights, there is a responsibility, for example, to respect the rights of others.

Rights A major responsibility of a democratic government is to protect the rights of its citizens. The rights of citizens are identified in the Declaration of Independence and the United States Constitution, including the Bill of Rights. The personal rights include freedom of conscience and religion, freedom of expression and association, freedom of movement and residence, and privacy. Political rights include the right to vote, petition, assembly, and freedom of press. Economic rights include the right to own personal property, to choose one’s work, to change employment, to join a union, and to establish a business. Other examples of such rights could be listed. Few rights are absolute, because they may conflict with each other or come into conflict with the common good in specific cases.

Rule of law “Rule of law” refers to the principle that everyone, even political leaders, must follow the law.

Saving “Saving” may be defined as a decision to withhold a portion of current income from consumption. Saving from the individual’s point of view represents income not spent, which may be placed in savings deposits in banks, making it possible for those banks to make loans to those who wish to buy capital goods or other resources.

Scarcity “Scarcity” is a term referring to the condition where people cannot have all the goods and services that they want. It results from the imbalance between the relatively unlimited wants and limited resources. Scarcity is found in all societies.

Secondary sources “Secondary sources” pertain to those sources that historians use to interpret and reconstruct the past that are the interpretations of events and developments that are not first-hand observations. Secondary sources, which may be histories and history textbooks, are constructed by historians who have used primary sources and/or secondary sources in the process.

Separation of powers “Separation of powers” refers to the division of powers among different branches of government within a political system.

Sources of wealth “Wealth” is the state of having money and/or property. Sources of wealth are earnings from wages and salaries, interest, rent income, and profit and from inheritances.

Supply “Supply” refers to the different quantities of a resource, good, or service that will be offered for sale at various possible prices during a specified time period. According to the law of supply, the higher the price of an item, the more of it that is likely to be offered for sale.

Taxes “Taxes are those required payments made to governments by individuals and businesses.

Three branches of government There are three branches of government at both state and national levels. The branches are as follows:

Branch	State	National
Makes Laws (legislative)	General Assembly	Congress
Enforces Laws (executive)	Governor and other agencies	President and other agencies that
Interprets Laws (judicial)	Courts	Courts

Trade-offs “Trade-offs” refers to the acceptance or choice of less of one thing to get more of something else (e.g., less of one good to get more of another, less regulation to protect the environment to get lower business costs and reduced prices of final goods).

Unlimited government “Unlimited government” may be defined as a government in which there are no effective restraints upon the political leaders. These are authoritarian governments in which power is concentrated in the hands of one person or a small group. The most extreme form of unlimited government is a totalitarian government, where the political leaders try to control every aspect of people’s lives and prohibit free associations.