

Name:

Economics Notes

Definition of Economics –

Economics is also the study of or how to use our scarce resources more _____.

I. What is the fundamental problem?

1)

II. What is scarcity? _____ wants vs _____ resources.

1) What is a need?

a.

b.

c.

2) What is a want?

a. Would like to have; not _____.

3) What forces us to use resources wisely? _____.

III. What are the fantastic four?

a. _____ of _____

1.

2.

3.

4.

1) _____ (Natural Resource)

a. Includes the physical _____ and _____

b. The income is _____

2) _____ (Human Resource)

- a. _____ and _____ efforts
- b. Income is called _____.

3) _____

- a. Machines, tools, plant
- b. _____ used to make other goods.
- c. Income is called _____

4) _____

- a. French for _____.
- b. Organizes the factors of production to produce a good or _____.
- c. Income is _____.

IV. What is the difference between a good and a service?

- a. A good is _____
- b. A service is _____

V. The most important lesson in economics is what?

- a. _____
- b. _____

What do you think this means: *There is no such thing as a free lunch.*

When you make a choice, you give up something.

- I. The value of what you give up is called _____.
- II. The sacrifice you made is also called a _____.
 - a. This can be described as the thing that you gave up.

Can you think of a decision you made that had an opportunity cost or trade-off with it?

Describe the situation...