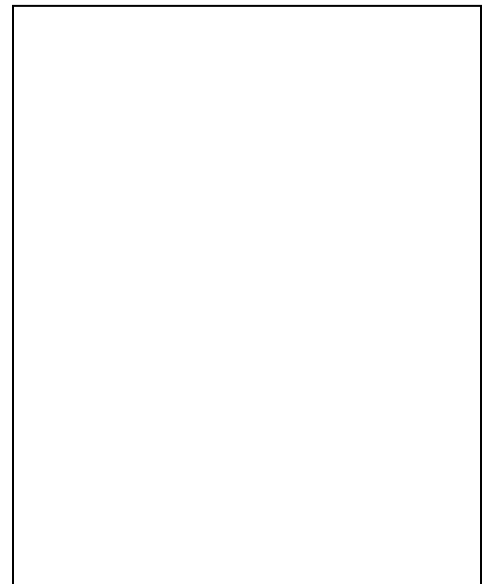
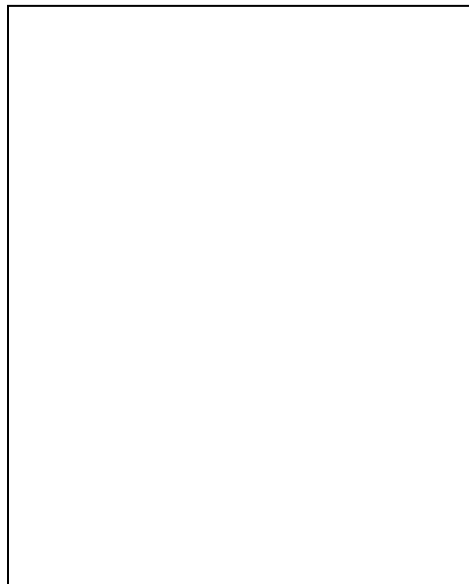



# What is Economics?

**Predict:** Economics is \_\_\_\_\_  
\_\_\_\_\_

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

What guides our economic thinking?  
3 Basic Questions:



Scarcity:

Opportunity Cost:

## Unlocking Economic Mysteries with the Basic Economic Principles

Mystery	Economic Principle & Reasoning
1. Why is Disney World cleaner than Yellowstone National Park?	
2. Why is buying “real” Christmas trees (rather than artificial trees) better for the preservation of trees and forests?  3. Why did the requirement that young children have their own seat (and seatbelt) rather than sitting on parents’ laps in airplanes cause an increase in childhood deaths in the US?	
4. Why does requiring that new cars be manufactured <i>with</i> pollution control technology installed result in increased automobile-generated air pollution?	
5. Why do programs providing government insurance for bank deposits increase the likelihood of bank failure?	
6. Why do so many patriotic Americans not vote in Presidential elections?	
7. Why is a legislated increase in minimum wage bad news for poor, low-skilled teenagers?	
8. Why did the English colonies of North America prosper while the colonies of Spain remained poor, despite great discoveries of gold and silver?	