

What is Economics? _____

Allocate- _____

SSEF1

1. Scarcity and Choice

A “need” is something that is _____ for survival (food, air, shelter)

A “want” is something we desire that is not _____ to survival.

Wants are unlimited while the resources (i.e. Money) are not!

LT: Scarcity! I can define Scarcity!

Basic condition _____

Scarce:

Scarcity implies _____

Economics _____

Shortage vs. Scarcity

A “shortage occurs” _____

“Scarcity” *always* exists because our needs and wants are always greater than our resource supply.

SSEF1: Element B

Learning Target:

Productive Resources:

2. Resources _____

3. Productive Resources _____

4. Factors of Production _____

_____ factors of production.

Four basic Factors of production: _____

Factors of Production (cont.)

Capital _____

Land _____

Labor _____

Labor Includes: _____

c. Capital _____

Physical capital _____

Human capital _____

_____ It assists in saving time and money when producing goods.

d. Entrepreneurship: A specific form of labor. _____

Element C:

Why do entrepreneurs take risk? _____

How is being an entrepreneur _____

What inventions/entrepreneurs have improved society?

What do entrepreneurs do?

Goods are _____ such as shoes and shirts.

Services are _____ that one person performs for another.

Remember!

All goods and services _____

Productive Resources

SSEF1:C

Opportunity Cost _____

1. Trade-off

What did you gain when giving up?

Every time people make a choice about how to use their resources a trade-off occurs! People gain something, but also give up something!

2. Opportunity Choice

You face an opportunity cost every time you decide how to use your scarce productive resource!

Learning Targets:

1. Marginal Cost and Marginal benefits

2. Marginal Benefits

Marginal Costs vs. Marginal Benefits

SSEF2:B

Explain that rational decisions occur when the marginal benefits of an action equal or exceed the marginal costs.

Learning Target: Rational Decisions

Rational Decision

LT: Incentives

What are Incentives?

SSEF2:C

How do people respond to incentives?

SSEF3 Learning Target: Voluntary, non-fraudulent exchange.

I SSEF3:A

Explain how and why individuals and businesses specialize, including division of labor.

Division of Labor:

Reasons for Specialization:

If each worker

Workers who

Examples of Specialization:

Why is Specialization important to society?

Specialization leads to a need for voluntary exchange!

LT: Voluntary, non-Fraudulent Exchange

Voluntary Exchange

1)

2)

3)

V.E.: Encourages increased productivity and efficiency; I _____ & I _____

What does that mean?

SSEF5

Describe the roles of Government in the United States Economy.

Learning Target: The Role of the Government

I can explain why government provides public goods and services, Redistributes income, protects property rights, and resolves market failures.

What are public goods and how are they paid for?

Public Goods and Services

Market Failures

Times when the government

Resolving Market Failure Examples:

Property Rights

Externalities: +/-

Redistribute Income

SSEF5.b

Explain the effects on consumers and producers caused by **government regulations**.

Government Regulations _____

Consumer-Protection _____

Effects of Regulation and De-Regulation

Both Regulation and deregulation have _____

SSEF6

Explain how Productivity, economic growth, and future standards of living are influenced by investment in factories, machinery, new technology, and the health, education and training of people.

SSEF6.A

Define productivity _____

What does an assembly line allow? _____

SSEF6.B (LT: Economic Growth)

Explain how investment in equipment and technology can lead to economic growth

Equipment (Capital)

Efficiency...faster.... _____

Economic Growth _____

Investment _____

SSEF6.C

Explain how investments in human capital (Education, job training, and healthcare) lead to a higher standard of living.

SSEF6.D

Analyze, by means of a production possibilities curve _____

Productions Possibilities Curve (PPC)

Graphical representation of _____

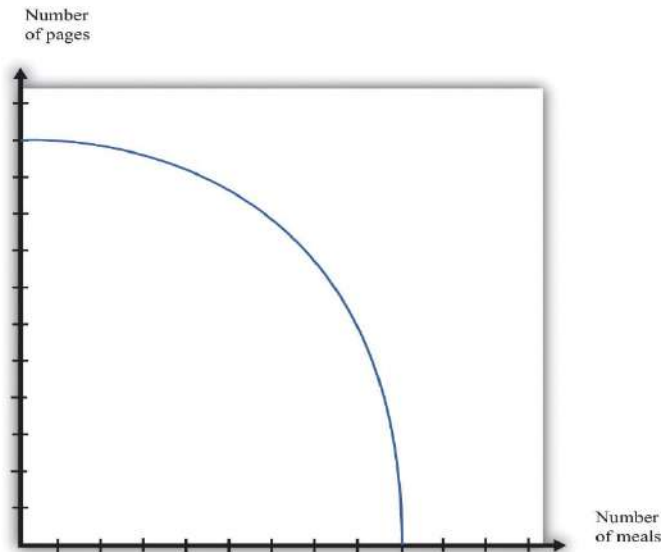
Shows the _____ an economy can make with respect to its _____

Curve demonstrates:

Opportunity Cost: are _____ (whenever we choose one course of action over another.) 1. Scarcity: Is the lack of adequate resources to obtain all of one's wants.

*Society wants v. What society can actually achieve!

Choices: _____



1. Production Possibilities Curve: _____

All points on the curve represent the _____

Any point inside the curve represents _____

Interpreting the PPC

All points on the curve represent the _____ production of goods and services (you are using your resources well)

Any point inside the curve represents an _____ of resources (you're wasting resources – could be producing more)

Interpreting the PPC/PPF

Points on the curve – _____

Points inside (under) the curve – _____ -

Points outside the curve – u _____

Economic Growth

Why would the PPC/PPF move?

When the quantity or _____

When the quantity or quality of land, labor, and capital shrinks, t _____