

**UNIT 1: Basic Economic Concepts (Two Weeks)- Macroeconomics**  
Textbook Chapters 1-4, 32

**CONTENT/ESSENTIAL QUESTIONS**

- How does scarcity affect decision making?
- How does comparative advantage illustrate opportunity costs?
- What is the difference between change in supply/demand and change in quantities supplied/demanded?
- How do determinants of supply and demand impact price and quantity?
- What relationship does the circular flow of money model illustrate?

**KEY TERMS**

absolute advantage  
black market  
ceteris paribus  
circular flow of money model  
comparative advantage  
complements  
determinants  
economics  
elasticity  
equilibrium point  
factors of production  
inferior goods  
Law of Increasing Costs  
macroeconomics  
microeconomics  
models  
normal goods  
normative economics  
opportunity cost  
positive economics  
price floors/ceilings  
production possibility curve  
quotas (imports)  
rent control  
resources  
scarcity  
shortage/surplus  
specialization  
substitutes  
supply/demand  
terms of exchange  
transaction costs  
voluntary exchange  
wants/needs

