

Do You Think Like an Economist?

MAKE-UP: ANSWER THE QUESTIONS, THEN LOOK ON THE 2ND PAGE AND COPY THE NOTES ONTO THIS WORKSHEET

This is NOT a test, it's a mental exercise, you get credit for doing it and adding the notes.
It doesn't matter how many you get right/wrong. Go with your gut instinct.

According to Webster's Dictionary Scarce means: not plentiful, hard to get
--

Mark each as True or False

1. Because water covers 3/4ths of the earth's surface, it cannot be considered scarce

True False

Add Class Notes Below.

2. Because it is limited, polio is scarce.

(polio= a rare disease)

True False

3. Because it is desirable, sunshine is scarce.

True False

4. The main cost of going to college is tuition, room and board.

True False

5. If bus fares are raised, almost everyone will take the bus anyway.

True False

6. You get what you pay for.

True False

7. A business owner's decision to show more care for consumers is a decision to accept lower levels of profits.

True False

8. If someone makes an economic gain, someone else loses.

True False

COPY THE NOTES (IN BOXES) ONTO YOUR WORKSHEET

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All of the questions are FALSE.

Copy these explanations onto your paper

Add Class Notes Below.

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Scarce = limited
desirable
price/cost
relative, not absolute

Opportunity Cost = the cost
of the next best alternative

Depends on how high,
everyone has a point where
they will change behavior

Prices are determined by
Supply & Demand, not
quality

Consumer service will
bring in more customers

When trade is voluntary,
both sides gain
it's not a zero-sum game