

Economics

Mr. Mace C-10

Text Assignment #1: Fundamentals of Economics

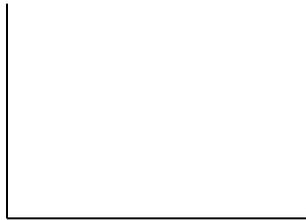
Name: _____

1. What is the difference between needs and wants? Explain how a need may also be a want?
2. Many high schools throughout the United States have faced a serious shortage of math and science teachers. Many prospective teachers choose to go into business and industry because of higher salaries. In some communities, businesses are “loaning” employees who want to teach part-time to schools to fill the math and science teacher gap. Does this scenario illustrate scarcity? Why or why not?
3. At one time or another, you have probably made a choice about how to use your scarce resources that you later regretted. For example, you may have purchased a music download instead of going to the movies. What led you to your choice? What did you learn later that might have led you to a different choice?
4. Use the concepts of marginal costs and marginal benefits to explain why some people might see the same movie ten times while others will watch it only once or twice.
5. Explain how self-interest is part of each economic choice. Use an example from your own experience that shows how you purposely served your own self-interest in a choice you made.
6. Why are all choices economic choices? Illustrate your answer with example.

7. On what assumptions is the PPC based? Explain how these conditions do not correspond to the real world.

8. Why do opportunity costs increase as you make more and more butter and fewer guns?

9. During a war, a country suffers massive devastation of its industry. How would the country's PPC change from before the war to after the war? Sketch a PPC to illustrate your answer. (Graph)(Remember: label everything!)



10. Why do economists often choose to present statistics in charts, tables, or graphs?

11. Consider the example of the state lottery to raise money for education. How might it be possible for two economists to see the same information and arrive at different opinions about what to do?

12. When you go out shopping, do you often worry that there will be a shortage of something you really want? If so, explain why you think there might be a shortage. If not, explain why there seems to be enough of everything you would want to buy.