UNIT 1: BASIC ECONOMIC CONCEPTS STUDY GUIDE

1. Define scarcity
2. Define Economics
3. Identify the relationship between scarcity and choices
4. Explain how Macroeconomics is different than Micro
5. Explain the difference between positive and normative economics
6. Identify the 5 main assumptions of Economics
7. Give an example of marginal analysis
8. Define trade-offs
9. Define opportunity costs
10. What are the factors of production and explain what they are.
11. Explain how you would use the concept of opportunity cost in everyday life.
12. Differentiate between, zero, increasing and constant opportunity cost PPCs
13. Explain why the Law of Increasing Opportunity Cost occurs.
14. Explain how you calculate PER UNIT opportunity cost.
15. Explain difference between productive and allocative efficiency on the PPC
16. Identify the 3 Shifters of the PPC
17. Give 2 SPECIFIC scenarios that would shift a PPC outward (Use Pizza and Robots)
18. Identify and explain the four economic systems we discussed and provide examples of each of the four economic systems?
19. What are the four factors of production and provide examples of the factors.
20. Define and explain what the 8 economics goals of the US are.
21. Explain what is the circular flow model and how does it work.