



## Introduction to Economics Notes

What is economics?

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List three things that you want

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List three things that you need

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Why do you think we can't get everything we want?

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Factors of Production:

We live in a world with limited *resources*. We use resources to produce the things we need and want. Resources can be divided into three groups. Everything we need or want is produced using these three things.

Land, labor and capital are called the factors of production.

❖ Land

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❖ Labor

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❖ Capital

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## Economic Choices:

### Scarcity \_\_\_\_\_



All factors of production are scarce.

Impact of scarcity on us as consumers:

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When we make economic choices:

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Remember, we don't get everything that we want! This is why we must constantly make economic choices!



The item that we give up in order to keep our first choice is our opportunity cost.

Let's try this out:

My first choice (explain why this is your first choice) - \_\_\_\_\_

My second choice (explain why this is your second choice) - \_\_\_\_\_

I can only choose one item, since resources are scarce.

My choice to keep - \_\_\_\_\_

My opportunity cost (What I gave up in order to keep my first choice) -

\_\_\_\_\_

Explain how you made your economic choice.

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