


Essential Question:	What are the important broad economic concepts?
	What Is Economics?
	If economics is allegedly about money, why is it taught as a social science? _____ _____
	Define Needs _____ _____
	• Examples: _____, _____, _____
	Define Wants _____ _____
	List all the foods you can think of in the circle below.
	
	What are Trade-Offs ? _____
	When deciding which food to eat, all the different options are _____.
	It's All About the Choices
	What is Scarcity ? _____
	Something is Scarce if it is _____ and _____
	What are Opportunity Costs ? _____
	Life is about choices and the choices we make impact us now and in the future.
	Basic Principles of Economic Reasoning
	1. People Choose (Everything has a cost)
	TINSTAAFL "There is no such thing as a free lunch." <ul style="list-style-type: none"> • Every action costs someone _____, _____, or _____ • <u>Remember</u>: <i>Opportunity Cost is the value of the next best choice you did not make.</i> • Not all costs are measured in _____ and _____.

2. People choose for good reasons.

People make decisions based on _____

While this may vary from person to person, it is usually _____

_____ involve weighing the benefits against the costs - “_____”

Production Possibilities Curves

3. Incentives matter.

When people make their _____ and weighing the benefits against the costs, they are comparing the _____ involved in making the decision

- When incentives change, _____
- Incentives can be _____, such as a reward or added benefit, or a _____ or additional cost

Summary