

Unit 1 Lesson 1 What Is Economics?

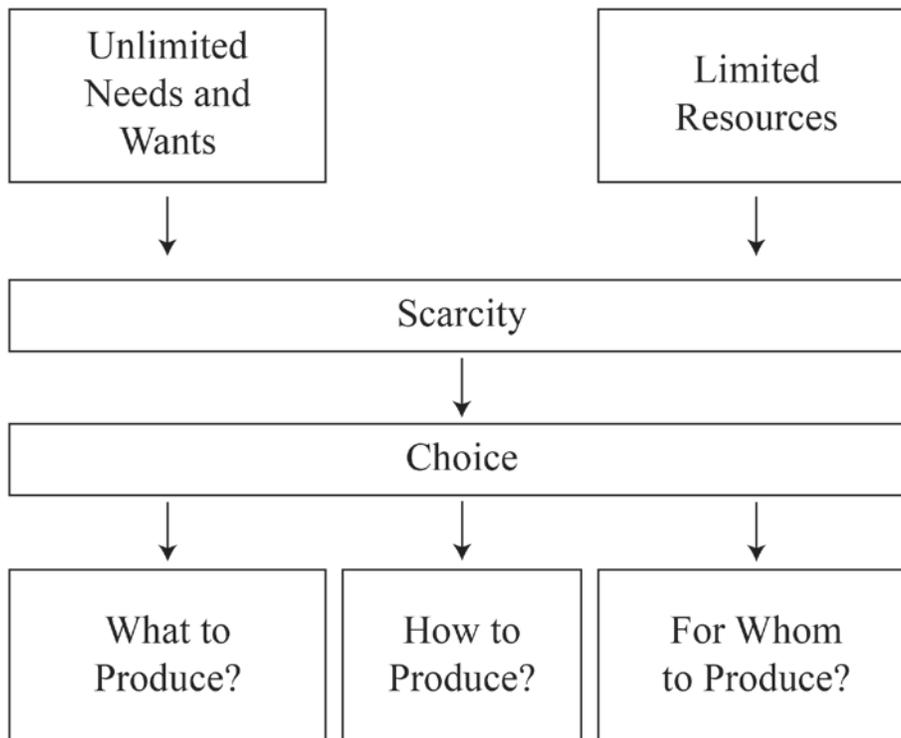
- **Economics:** the study of people's choices to fulfill their unlimited _____ and _____ even though there are limited _____.
- Example:
 - You must choose how to spend your time
 - Businesses must choose how many people to hire

2 Branches of Economics

- _____ – study of economic behavior and decision-making of small units such as individuals, families, businesses, or even an entire market
- _____ – economic behavior of entire economies. Example: Countries and government spending

Definitions

- Needs: _____, _____, _____
- _____: Unnecessary desires
- _____: Physical things such as shoes
- _____: Action done by one person for another
- _____: Person that starts a business
- _____: Producers will or cannot offer goods and services at current prices (temporary)



4 Factors of Production

- _____: Human-made resources used to make other goods and services
- _____: Person that starts a business
- _____: All natural resources used to produce goods and services
- _____: Any person that works on a task to get paid

Trade Offs and Opportunity Costs

- _____ are all the alternatives that we give up whenever we choose one course of action over others.
- The most desirable alternative given up as a result of a decision is known as _____.
- What's the difference between the two?
