**ANSWER ON YOUR OWN SHEET OF PAPER!!**

Review what we’ve learned for GPS SSEF1:

SSEF1 Explain why limited productive resources and unlimited wants result in scarcity, opportunity costs, and

tradeoffs for individuals, businesses, and governments.

1. Define **scarcity** as a basic condition that exists when unlimited **wants** exceed limited productive resources (**needs**)
2. Define and give examples of productive resources (**factors of production**) (e.g., land (natural), labor

(human), capital (capital goods), entrepreneurship).

C. List a variety of strategies for **allocating** scarce resources.

D. Define **opportunity cost** as the next best alternative given up when individuals, businesses, and

governments confront scarcity by making choices.

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Define:

1. Scarcity
2. Wants
3. Needs
4. Factors of production
5. Allocating (allocation)
6. Opportunity cost

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Answer:

1. Zhu Zhu pets are a popular gift for the holiday season. Adults will scramble to buy these for children. But, there will not be enough available for everyone. This is an example of
   1. Scarcity
   2. Loss
   3. Profit
   4. Loss
2. The basic economic problem of all economies is essentially one of deciding how to make the best use of
   1. Unlimited resources to satisfy unlimited wants
   2. Limited resources to satisfy unlimited wants
   3. Unlimited resources to satisfy limited wants
   4. Limited resources to satisfy limited wants
3. An example of a non-scarce good is
   1. Shark Meat
   2. Air
   3. Chicken Meat
   4. Gadgets
4. Goods or services that are necessary for living such as food, clothing and shelter are
   1. Needs
   2. Wants
   3. Advertising
   4. Factory
5. When there is not enough goods and services to meet people’s needs is
   1. Scarcity
   2. Adversity
   3. Disbursement
   4. Opportunity Cost
6. All of the following are examples of opportunity cost except:

A. the leisure time sacrificed to study for an exam.

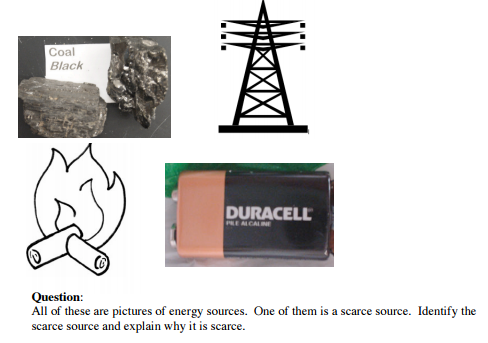
B. the tuition fees paid to a university.

C. the income which could have been earned by a college student had he or she worked full time

instead of attending college.

1. the building which could have been built with the construction materials and labor used to build a

new university library.

1. Which of the following is the best definition of opportunity costs?
2. The amount of one good that must be given up in order to produce one more unit of another good.
3. The amount of money that must be paid in order to purchase one more unit of a good
4. The amount of an input that must be used in order to produce one more unit of a good
5. The price of a good that must be charged in order for a merchant to sell one more unit.
6. 

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Identify the appropriate **factor**:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Your purse that is made from leather
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The oil that you put in your car
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The president of Columbus State University
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The owner of The Posh Peach, a cute dress store downtown.
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The pencil sharpener in a classroom
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A policeman’s car
7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The owner of the Goo-Goo Carwashes
8. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The popcorn at Carmike Theatre
9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ The clothes at Aeropostle
10. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the gold in your necklace
11. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the jewelry in a jewelry store
12. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the box your Little Caesar pizza comes in
13. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Pine Trees

Using your notes and what you’ve learned for Allocation – fit the scenario to the best **allocation** method.

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Beyonce is performing at the Georgia Dome on September 26th. Ticket prices range from $45 to $2,401. There are only 300 tickets left. What is the best way to distribute these tickets?
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Would you like to win a million bucks? What is the best method to win this amount?
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Drake is coming to Columbus! Only Kendrick High School students are allowed to attend. What is this allocation method?
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ a certain student cuts in the lunch line to get to the front every day.
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Your dad expects you to help him in the business, like he did his father.

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1. What is the fundamental economic problem?
2. What is the difference between a want and a need?
3. How does scarcity affect the production of goods and services?
4. How do the four factors of production affect products you use every day?
5. What are the three types of money?
6. What is bartering?
7. What are the functions of money?
8. What is economics?
9. What are the three basic economic questions?
10. What are the four factors of production?
11. What is opportunity cost?
12. If you had an exam today what would you make as a grade?
13. How much does the GMA count towards your grade in this class?