

Scarcity and Choices

Directions Write the answers to these questions. Use complete sentences.

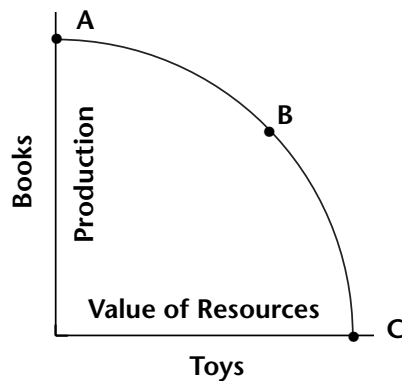
1. What is scarcity?

2. Why do people have to make economic choices?

3. What is the difference between a trade-off and an opportunity cost?
Give one example of how you might make a trade-off.

4. Describe the production possibilities curve in your own words.

Production Possibilities Curve



5. Sometimes there is a scarcity of resources. What happens to production possibilities then?
