

NAME: _____

SCARCITY

What is it?

GAP FILL WORDS: choices / resources / infinite / opportunity cost / wants / allocate / scarce

The basic economic problem is the fact that _____ are _____ (limited in supply) but _____ are _____ (never ending). As a result of this, consumers, producers and the government have to make _____ about how to _____ scarce resources.

When we choose one thing, we often sacrifice or give-up something else. _____ is the highest valued alternative that we forego because scarce resources allocated elsewhere.