Scarcity + Opportunity Cost

Unlimited wants, limited resources: the problem every economic choice is trying to solve.

Name: _____ Date: _____

OBJECTIVE

Explain why scarcity is permanent, compare ways societies allocate scarce resources, identify the four factors of production, and apply opportunity cost to real choices.

1. Scarcity, in your own words

DISCUSS

Before you write anything: as a class, debate one contested scarce resource at your school (parking spots, lab computers, field time). What's the fairest way to allocate it, price, lottery, first-come-first-served, or a vote? Be ready to defend your answer out loud, no notes.

List three things you want right now that you can't have all of at the same time (money, time, or attention are all scarce).

2. Match the allocation strategy

____ 1. Price	A. Concert tickets go to whoever clicks fastest when they go on sale
____ 2. Majority rule	B. A raffle randomly picks who gets the prize
____ 3. Lottery	C. Whoever pays the highest bid gets the item
____ 4. First-come-first-served	D. A city votes on where to build a new park
____ 5. Contests	E. The fastest runner wins the scholarship

3. Sort the factors of production

Land, labor, physical capital, or entrepreneurship? Write the correct factor next to each example.

Example	Factor of production
A farmer's field	
A delivery driver's time and skill	
A bakery's oven	
A teenager who starts a lawn-care business	

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Example	Factor of production
Crude oil under the ground	

4. Apply opportunity cost

You have $40 and 3 free hours on Saturday. List your top 3 options, then identify your opportunity cost: the single next-best option you gave up.

Option	What you'd get
1.	
2.	
3.	

Your choice: _____ Your opportunity cost (2nd-best option given up): _____

5. Governments face scarcity too. Name one thing your school has to ration or choose between (funding, class time, field space) and explain the opportunity cost of that choice.