1 Scarcity, choice, and trade – Part 1 — Answers

Answers

Work through these after you have tried the questions yourself.

2.1 wants are unlimited but resources are limited, so people must choose.
2.2 the $15 you did not earn babysitting.
2.3 (a) an efficient use of all resources; (b) an inefficient point with wasted or unemployed resources.
2.4 more resources, or better technology (economic growth).
2.5 it can produce that good at a lower opportunity cost than another country, so it gives up less to make it.