Supported preparation: Scarcity and assumptions

International Baccalaureate · IB Diploma · Economics · HL

Scope and prerequisites

IB economics first assessment 2022. Three supervised news commentaries cover microeconomics, macroeconomics and the global economy through distinct key concepts. School checks source recency and commentary requirements against the full guide.

Mapped preparation outcomes: ib_economics_hl.1.1, ib_economics_hl.1.2. Read the matching native lesson first. Actual approved choices, evidence and final learner work remain separate.

Source vocabulary

normative ; **opportunity cost** .

Explanation and worked method

Scarcity means resources cannot meet every competing use. Opportunity cost is the next-best alternative forgone. A production possibility model fixes resources and technology for a period; a point inside may indicate underuse, while an outward frontier shift indicates greater potential. A positive claim is in principle testable; a normative claim requires a value judgement.

Original source / task evidence

Task: the same labour can make either 20 desks or 40 chairs, with a straight frontier. What is the opportunity cost of one desk, and is “chairs should be prioritized” positive?

Separate what is stated from the interpretation.
Scarcity and assumptions

Task: the same labour can make either 20 desks or 40 chairs, with a straight frontier. What is the opportunity cost of one desk, and is “chairs should be prioritized” positive?

Opportunity cost per desk=40 chairs/20 desks=2 chairs per desk under constant trade-offs. The should claim is normative and needs a criterion, such as need or fairness. Actual costs may change along a curved frontier.

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Independent transfer

Output moves from inside the PPC to its unchanged boundary. Has productive potential increased?

Attempt independently before reading the model.

Checked original model

The unchanged boundary indicates the same modelled potential. More resources are employed or used efficiently, so actual output rises without a demonstrated capacity increase. An outward boundary shift would represent higher potential under changed resources or technology.

These are authored formative expectations, not official IB descriptors. Accept other justified arguments with evidence and material limits.

Source and task holds

This supplement teaches the method for this part of the course. The full assessment criteria and any texts your school chooses come from your teacher.

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