How do you define Economics?

USE TO 2-3
SENTENCES TO
EXPLAIN YOUR
DEFINITION

SOL 11.a

- The student will demonstrate knowledge of how economic decisions are made in the marketplace by...
- A. applying the concepts of scarcity, resources, choice, opportunity cost, price, incentives, supply and demand, production, and consumption;

SOL 11.a

How do people deal with scarcity, resources, choice, opportunity cost, price, incentives, supply and demand, production, and consumption?

Today

- •We will be looking at the first 4 parts of 11a....
- •Scarcity, resources, choice, and opportunity cost

Now.....The Framing Routine!

 We are going to be using a new technique to look at our notes differently. It is a graphic organizer called the "Framing Routine." And it looks like this....

The FRAME Rou	itine Ke	y Topic		
			is about	
Main idea	Main idea	Main idea		O Main idea
Essential details	Essential details	Essential	details	Essential details
So	What? (What's importar	nt to understand ab	oout this?)	

• Take out the Frames that I handed to you when you came into class today

Key Topic

• CE.11a Part 1

Is About....

• How do people deal with scarcity, resources, choice, and opportunity cost?

Main Idea #1

Scarcity

Essential Details of Scarcity

- Definition: the inability to satisfy all wants at the same time. All resources and goods are limited. This requires that choices be made.
- Described: your decisions are made based on what you have, what is available, and what you need/want most.
- Example: In the 1970s, gasoline was *scarce*. Many people wanted to buy it, but only a certain amount was available.

Main Idea #2



Essential Details of Resources

Definition: factors of production that are used in the production of goods and services. Types of resources are natural, human, capital, and entrepreneurship.

• Described: Items that are used to make finished products.

Examples are everywhere!

Example: Natural: Trees, Iron, Stone

Human: workers on an assembly line

Capital: Assets used to create products: tools, buildings

Entrepreneurship: Assets that a business owner needs to run a business. I.E. Patents, organization, credit

Main Idea #3



Essential Details of Choice

Definition: selection of an item or action from a set of possible alternatives. Individuals must choose or make decisions about desired goods and services because these goods and services are limited.

Described: a choice is made based on needs and self-limitations. A choice is made based on "scarcity."

Example: If the market doesn't have strawberries, you have to decide if you really want strawberries. If you do, then you will have to travel to different markets to try to find some strawberries. Scarcity drives choices

Main Idea #4

Opportunity Cost

Essential Details of Opportunity Cost

Definition: what is given up when a choice is made—i.e., the highest valued alternative is forgone. Individuals must consider the value of what is given up when making a choice.

• Described: you choose the most wanted and/or needed option based on your needs and/or wants.

Example: Clair decides to go to college for an education rather than joining the workforce, her opportunity cost, or what she is giving up is the money she could have made in the workforce

So What? (What's important to understand about this?)

 People make choices about how to use limited resources, decide the ownership of resources, and structure markets for the distribution of goods and services.

Opportunity Cost Question

Barbara wants to spend the afternoon with her sister shopping at the mall. She has \$100 spending money and expects to spend it all if she goes. She has an essay due in her English class the next day and has not started it. She needs the rest of the afternoon to write a passable essay. What is her **Opportunity Cost?**

Answer!

Barbara's Opportunity Cost is she can either go to the mall with her sister, have a fun time, and spend \$100, but fail her essay. Or she can stay home, work on her essay, receive the satisfaction of getting a passing grade and save \$100 for another day.

Remember...

...when calculating Opportunity
Cost look for the multiple values
of each choice. I.E. Monetary
Value, Satisfaction Value, Time
Value...

Also!

When answering opportunity cost questions, think first in short terms, then in long terms.

The language of your answers are important! I.E.- "either, or"

More Opportunity Cost

- I am going to pass out a worksheet.
- In groups of two-three that I have already selected, you will work together on these Opportunity Cost Questions.
- Each person will be responsible for filling out their own worksheet.
- Write neatly in complete sentences

Remember!

- Do not start moving until I tell you to do so.
- Listen for when I call your name and your group
- You can move nearby desks together to work in your groups

Group Work Time



Additional Time: Work on your 11a Notecards for your quiz Thursday.

Before We Leave.....

- Take out a piece of paper for an exit slip.
- Write down 1 thing you learned and 1 thing you need to study more of for the 11a quiz Thursday

Tomorrow...The 2nd half of 11a.Supply and Demand!