MCj04241980000[1]**C&E Economic Principles**

**Use the link below to answer the first set of questions:**

[**https://dl.dropbox.com/u/26161916/TEXTBOOK/ch18.pdf**](https://dl.dropbox.com/u/26161916/TEXTBOOK/ch18.pdf)

**How Economic Systems Work**

1. (p. 499) What is economics? Read the definition of economics, then write your own being sure to use the words choices, wants, needs, and resources in your definition.
2. (p. 500) “Every country has its own economic system” – rewrite this sentence in your own words.
3. (501-502) The three main questions every society has to answer are found in the graphic on page 501 – list each question, then explain what each means by reading the sections about each question on pp. 501-502. Be sure to give an example for each as well as an explanation.
4. (p. 501) What is the connection between **scarcity** and choices?

**Making Economic Decisions**

1. (504) How is deciding to either a) study for a test or b) go to a party an example of a **trade-off**?
2. (505) First, define **opportunity cost**, then determine the opportunity cost for these examples:
3. going to college (this one is in the reading)
4. watching TV at home on a school night?
5. quitting a job so you can start a new business?
6. The opportunity costs for going on a one week trip to Paris during the school year.

**For the next set of questions, use this link:**

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**Factors of Production (517)**

1. List, define and give examples of the four factors of production. (Be sure to use the term LAND instead of natural resources).
2. Think about a pizza restaurant – then give an example of how each of the four factors (in #7) are used in a pizza restaurant.