**Economics Unit 2 Note taking/Study Guide**

**Objective:** Limited resources and Unlimited wants = Scarcity

How do you, the community, businesses and governments handle this scarcity?

What is the difference between a good and a service?

**Factors of Production**

|  |  |  |  |
| --- | --- | --- | --- |
| Factor of Production | Definition | Return | Example |
| Land |  |  |  |
| Labor |  |  |  |
| Capital |  |  |  |
| Entrepreneurship |  |  |  |

**Opportunity costs**: Define and understand examples

Opportunity cost is not always determined in dollar amounts.

**Trade-off**: Define and understand examples

**Production Possibilities Curve**:

What information does it give?

How do you use it?

**3 Basic Economic Questions** that determine the types of economies. List them.

|  |  |  |
| --- | --- | --- |
| **Type of Economy** | Define: How do they answer the 3 questions? | Example |
| Traditional Economy |  |  |
| Market Economy |  |  |
| Command Economy |  |  |
| Mixed Economy |  |  |

What is **a public good?** What makes it a public good? Understand examples

What are **private goods**? What makes them private? Understand examples.

What is **open opportunity**? How does it impact an economy?

**Externalities**: Define

Positive: Define and understand examples

Negative: Define and understand examples

**Consumer Bill of rights**: Define. What purpose does it serve?