Foundations of Economics

1. What is the basic economic problem? Find an example from a news source to illustrate the point.
2. What challenges does the problem of scarcity impose on economies? Find an example from a news source to illustrate the point.
3. What are the three basic economic questions?
4. Give an example from the news of a reallocation of resources.
5. Give an example of an over allocation of resources.
6. Give an example of an under allocation of resources.
7. What are the four factors of production?
8. What are the 4 types of capital and can you give an example for each?
9. What do we mean by an opportunity cost in economics?
10. Can you construct a production possibilities model for two variables?
11. What is the importance of a straight line PPC as opposed to a ‘curve’?
12. What do you understand by the term social science?
13. What is the social scientific method?
14. Why are models important to the economist?
15. What are the 2 assumptions that all economists make when constructing a model in economics?
16. What do we mean by a positive economic statement? Give an example from the news.
17. What do we mean by a normative economic statement? Give an example from the news.
18. Identify ongoing issues or themes that are sources of discussion among economists at the present and in the past.

Once you have finished this task you can begin your facebook page of economists through time. Ask Mr Bish for an economist to complete your page for or discover your own.