Economics Unit 1 Cheat Sheet

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The BASIC ECONOMIC PROBLEM

Human wants and needs are **unlimited** but resources are **scarce**.
Due to the basic economic problem, economic stakeholders must make very important decisions and choices. When they make these decisions and choices, **OPPORTUNITY COST** arises.

Glossary

Economics: A social science that studies how economic stakeholders interact, behave, and use *scarce resources*.

Economic Stakeholder: Anyone who impacts or is impacted by economical decisions/activities.

Opportunity Cost: The value or benefit of the *next best alternative* FOREGONE.

*In econs, avoid using the term "people" and instead specify which economic stakeholder you are referring to

Economic Stakeholders

1. Consumer / Individual
2. Producer / Firm
3. Labour / Worker
4. Government
5. Environment
6. Community