

Name: _____ Date: _____

SCARCITY ECONOMICS

Create your own scenario.

Scenario: You go to the store and you desperately want the new PS4. When you get to the store, you realize that you only have enough money for the PS3.

Scarcity

Choices (at least two)

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Scenario: _____

Scarcity

Choices (at least two)

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Hans and Anne have always wanted to sell lemonade in the summer. This summer, their mother said they could! They got supplies from the store and made a sign and set up their shop at the end of their street. It was a hot, summer day and everyone in the neighborhood wanted to buy lemonade. By 2:00, they ran out of sugar to make the lemonade sweet. They knew people liked their lemonade because it was sweet. They could make more lemonade, but it wouldn't be sweet. They decided to run to the store and get more sugar instead of making sour lemonade.

What Scarcity problem did Hans and Anne have?

Because of the scarcity, what two choices did they have?

What decision did they make?

What was their opportunity cost?
