Chapter 18

1. What is the difference between needs and wants?

2. What is economics?

3. What type of economic system does the United States have?

4. What are two main types of resources?

5. Explain the difference between microeconomics and macroeconomics.

6. When does scarcity occur?

7. Because of scarcity, what three economic choices must a society make?

8. What is a trade-off?

9. What term describes the cost of the next best use of time when you choose to do one thing rather than another?

10. What is marginal cost?

11. What two types of costs make up total costs?

12. What is the difference between total revenue and marginal revenue?

13. In a cost-benefit analysis, when should a chosen option be rejected?