Ch.1 Study Guide

Vocab terms: trade-offs, specialization, services, scarcity, product market, factor market, capital, durable goods, non-durable goods, opportunity costs, goods, Paradox of Value, economic interdependence

* What does the acronym TINSTAAFL stand for? Please give an example.
* Who what is the driving force behind all economies?
* Why is a point outside the Production Possibility Frontier not possible?
* List the 4 factors of production and briefly explain each.
* What 2 things are necessary in order to determine the value of a product?
* What are the 3 basic economic questions?
* What does a point inside the Production Possibilities Frontier Curve mean?
* Be able to distinguish a good from a service.