Video #1 – Introduction to Economics

Checking for understanding

*Read through these questions – can you answer them quickly? If you can, then you understand the key concepts in this video. If not, go back and watch it again. Don’t forget to check your answers with the answer key (don’t peek – the whole point of this is to see if YOU understand the key ideas).*

1. What causes scarcity?
2. What are the three types of resources?
3. Why do we need an economy?
4. What are the three key questions in any economy?
5. What is the difference between right wing and left wing economies?
6. What is the difference between public and private property, and why do people support these ideas?
7. What are the three most common ways to label an economy?
8. Why is it important for you to have an understanding of economics?

Answer Key

1. What causes scarcity? (Unlimited wants and limited resources)
2. What are the three types of resources? (Land, labor, capital)
3. Why do we need an economy? (It helps us to decide how to allocate resources – who gets what and how)
4. What are the three key questions in any economy? (What to produce? How to produce it? Who gets it?)
5. What is the difference between right wing and left wing economies? (The amount of government intervention or control in the economy)
6. What is the difference between public and private property, and why do people support these ideas? (Public property is owned by the government and makes sure everyone has access, private property encourages people to take care of it, respect other people’s property and compete with each other for even more property)
7. What are the three most common ways to label an economy? (Market economy [aka capitalism], planned economy [aka communism], mixed economy)
8. Why is it important for you to have an understanding of economics? (Because you live in a democracy and can make this country a better place if you help the government create the right economic policies)