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| --- | --- |
| **SCARCITY** | inability to satisfy all wants at the same time;all resources and goods are limited |
| **RESOURCES** | factors of production that are used in the production of goods and services: natural, human, capitol, entrepreneur |
| **CHOICE** | Selecting an item or action from a set of possible alternatives |
| **OPPORTUNITY COSTS** | What is given up when a choice is made: the highest valued alternative forgone |
| **PRICE** | Amount of money exchanged for a good or service determined by the interaction of supply and demand; influences who acquires good/service |

*Unit 7*

*Economics System*

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| **INCENTVES** | incite or motivate; used to change economic behavior |
| **DEMAND** | amount of a good or service that consumers are willing & able to buy at a certain price |
| **SUPPLY** | amount of a good or service that producers are willing and able to sell at a certain price |
| **PRODUCTION** | combining of human, natural, capital & entrepreneurship RESOURCES to make goods or provide services |
| **CONSUMPTION** | using goods and services |

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