

Fill in the Blanks

1. **scarce** – Economics studies how society uses scarce resources to satisfy human needs
2. **unlimited** – Human desires are unlimited in relation to available resources
3. **Scarcity** – Scarcity is the fundamental problem facing all economic systems
4. **opportunity costs** – Scarcity makes choice necessary, and every choice involves opportunity cost
5. **next best** – Opportunity cost is the value of the next best alternative that must be forgone
6. **efficiency** – The answers to what and how to produce reflect the efficiency of resource use
7. **Microeconomics** – Studies the behavior of individual decision-making units (consumers, firms)
8. **Macroeconomics** – Examines aggregate economic behavior of the economy as a whole
9. **macroeconomics** – Inflation and unemployment are central topics of macroeconomic analysis
10. **microeconomics** – Price determination and market analysis are studied in microeconomics
11. **“what is”** – Positive economic analysis describes and explains actual economic phenomena
12. **Normative** – Normative economics focuses on what should or ought to be
13. **value judgment** – Normative analysis is based on value judgments rather than empirical testing