scarcity, opportunity cost, and the basic tasks of an econom

1. scarcity: Resources (land, Labor, capital, Knowledge) are limited, but human wants are unlimited. this balance is the central problem of economics.
2. opportunity cost: choosing one option means sacrificing the next best alternative.

three Basic Economic questions

1. what to produce?
limited resources force societies to prioritize certain goods and services over others.
2. How to produce?
choices include manual Labor vs. machines, organic vs. chemical farming, private vs. public production.
3. for whom to produce?
Distribution can be equal or based on ability to pay, raising questions of fairness and policy.

Micro vs. Macro

micro: foucuses on individual choices, market, behavior, price.
macro: Examines national trends - GDP, inflation, seeks policies to stabilize and grow the economy.