

Name: _____

Date: _____

Class: _____

Chapter 3: Economic Understandings

Section 2: Decision Making in Economics

Section 2: Economic Decisions

Directions: Answer the following questions in one or two sentences.

1. What role does scarcity play in economic decisions?

2. Why is it important for individuals and companies to choose proper resource allocation?

3. Explain why goods cost different amounts based on the supply and demand?

4. What are the different strategies that determine where to allocate resources?

5. Which allocation system is the most random? Why?

6. What allocation system benefits those who are strongest? Why?

Continued on next page.



