

Year 11 Economics Worksheet 5:

Microeconomics – Resource Allocation

A. Fillers

[7 marks]

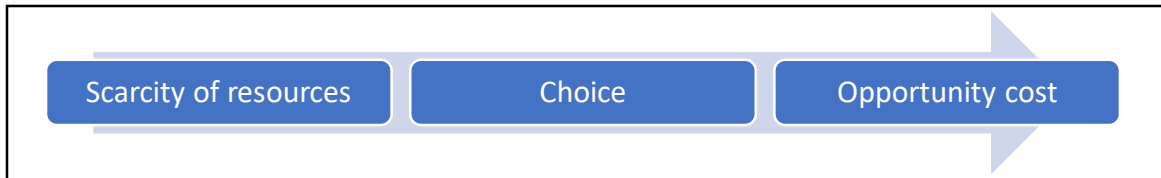
Use the concepts in the resource box below to complete the paragraph below and make it meaningful.

scarcity	resources	choose	how to produce
allocation of resources		opportunity cost	choices

The _____ of _____ relative to the demand for them forces producers, consumers and the government to make _____. Consumer and governments must _____ what goods and services they want. Producers must choose _____ how to produce these commodities, i.e. the mix of capital and labour that will do the job most efficiently. Hence a choice is made regarding the of _____. When an option is chosen among given alternatives, an _____ arises.

B. Resource Interpretation

(5 marks)



Use the above diagram to write a short essay of 100 words on the following:
Explain with examples the relationship between three concepts stated in the diagram above.
