

Topic 1.1: Scarcity

LO: MOD-1.A | Skill: 1.A | Portfolio: Advisor Memo 1

ECONOMIC ADVISOR PORTFOLIO

Advisor Memo 1: Meridian's Scarce Resources and Central Choice

Welcome to your role as an economic advisor to the **Republic of Meridian**, a small fictional country you will advise all semester. Each topic, you add one memo or one labeled graph to your Advisor Portfolio. By the end of the course you will deliver a full 'State of the Economy' briefing.

MERIDIAN — THE BRIEFING

Meridian has fertile farmland along one river valley, a single deep-water port, about 6 million workers (many still training), a modest stock of factories and machines, and a handful of ambitious founders. Its government has one budget and cannot fund every project at once. This year it must choose between expanding the port and building new schools.

Step 1 — Inventory Meridian's four economic resources

List one specific Meridian example for each factor of production.

Economic resource	Meridian example	Is it scarce? Why?
Land		
Labor		
Capital		
Entrepreneurship		

Step 2 — Name the central choice

Meridian's government can fund the port expansion OR new schools this year, not both. Complete the memo box below.

The scarce resource that forces this choice:	
If Meridian expands the port, the opportunity cost is:	
If Meridian builds schools, the opportunity cost is:	
My recommendation (1–2 sentences) and the trade-off I accept:	

Step 3 — Portfolio self-check

- Did you give a SPECIFIC Meridian example for all four resources?
- Is your opportunity cost the single next-best alternative — not a list of everything?
- Does your recommendation name what Meridian gives up, not just what it gains?

Keep this memo in your Advisor Portfolio. In Topic 1.2 you will add your first graph — Meridian's production possibilities curve — to the Graph Bank.