

Topic 1.1: Scarcity

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

Mini-FRQ — Scoring Guide (8 points total)

Format: Short Free-Response (Concept & Explanation)

Part 1 — Define + apply scarcity (2 pts)

- **1 pt:** Defines scarcity as unlimited wants vs. limited resources.
- **1 pt:** Applies it to Calderia (limited equipment/workers can build only one of the two projects).

Part 2 — Four economic resources (4 pts)

- **1 pt each:** Land (volcanic soil), Labor (the ~3 million workers), Capital (the construction equipment), Entrepreneurship (those who organize and take the risk of the projects). One Calderia example required per resource.

Part 3 — Opportunity cost (1 pt)

- **1 pt:** Identifies the opportunity cost of the highway as the irrigation canals (the next-best alternative given up) AND defines opportunity cost as that next-best alternative.

Part 4 — Scarcity persists (1 pt)

- **1 pt:** Explains that resources remain finite and wants keep growing, so a bigger budget raises the limit but does not remove the need to choose.

Common mistakes / scoring notes

- Calling money or the budget 'capital' — capital means produced tools and equipment, not funds.
- Listing several things as the opportunity cost — it is the single next-best alternative, not everything given up.
- Saying a bigger budget 'ends scarcity' — award the point only if the student keeps scarcity intact.