

Topic 1.1: Scarcity

LO: MKT-1.A | Skill: 1.A | Portfolio: Analysis Memo 1

Topic 1.1 — Vocabulary

Print and trim into half-sheets, or keep as a one-page reference.

Term	Definition
Scarcity	The condition in which wants are unlimited but resources are limited.
Economic resources	The inputs used to produce goods and services; the factors of production.
Land	All natural resources used in production (soil, water, minerals, oil, timber).
Labor	Human physical and mental effort used in production.
Capital	Manufactured aids to production — tools, machines, equipment. NOT money.
Entrepreneurship	The initiative that organizes the other resources and takes the risk of producing.
Goods	Tangible products.
Services	Intangible products — work done for someone.
Rival resource	A resource one user uses up, leaving less for others (land, labor, capital).
Non-rival resource	A resource not used up by being used — e.g., established knowledge or an idea.
Economic good	A good that is scarce and therefore carries a price.
Shortage	A temporary gap where quantity demanded exceeds quantity supplied at the current price.
Trade-off	What is sacrificed when one option is chosen over another.
Opportunity cost	The value of the next-best alternative given up by a choice.