

Topic 1.1: Scarcity

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

MARKET ANALYST PORTFOLIO

Analysis Memo 1: Lumora Lighting Co.'s Scarce Resources and Key Trade-Off

Welcome to your role as a **market analyst**. All semester you will study real and fictional firms and markets and build a Market Analyst Portfolio — one short memo or one labeled graph per topic. Your first subject is **Lumora Lighting Co.**, a small fictional firm that designs and assembles lamps.

LUMORA LIGHTING CO. — THE BRIEF

Lumora rents one small workshop, employs nine assemblers and two designers, and owns a single assembly line and a set of hand tools. It also owns one thing it can use without using up: a patented lamp-base design its founder created. This quarter the assembly line can run desk lamps OR floor lamps at full volume — not both. Lumora must choose.

Step 1 — Inventory Lumora's four economic resources

List one specific Lumora example for each factor of production.

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

ANALYST'S EDGE — NOT EVERYTHING IS SCARCE

Lumora's patented lamp-base design is non-rival: using it on a desk lamp does not use it up for a floor lamp, and many products can carry it at once. In the last column, mark which of Lumora's resources are scarce and which (if any) are not.

Step 2 — Name the key trade-off

Lumora's single assembly line can run desk lamps OR floor lamps at full volume this quarter, not both. Complete the memo box below.

The scarce resource that forces this choice:	
If Lumora runs desk lamps, the opportunity cost is:	
If Lumora runs floor lamps, 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 Lumora example for all four resources?
- Did you correctly mark the patented design as non-rival (not scarce)?
- Is your opportunity cost the single next-best alternative — not a list of everything?
- Does your recommendation name what Lumora gives up, not just what it gains?

Keep this memo in your Market Analyst Portfolio. In Topic 1.3 you will add your first graph (the PPC) to the Graph Bank.