

Topic 1.1: Scarcity

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

Analysis Memo 1 — Teacher Notes & Rubric

Memo 1 launches the Market Analyst Portfolio and is the lesson's in-class application. The goal is that students apply scarcity, the four economic resources, and the rival / non-rival distinction to a concrete (fictional) firm.

Sample strong responses

- **Land:** the natural materials Lumora's lamps use (e.g., the metal and timber in a lamp) — scarce because the supply is finite.
- **Labor:** Lumora's nine assemblers and two designers — scarce because they cannot do every job at once.
- **Capital:** the single assembly line and the hand tools — scarce because there is only one line and it cannot run two products at full volume at once.
- **Entrepreneurship:** the founder who organizes the workshop and takes the risk — scarce because few people both have the idea and will take the risk.
- **Non-rival resource:** the patented lamp-base design — NOT scarce; using it on a desk lamp does not use it up for a floor lamp. This is the EK MKT-1.A.2 nuance.
- **Key trade-off:** the scarce resource is the single assembly line. Opportunity cost of running desk lamps = the floor lamps not produced (and vice versa). A strong recommendation names the trade-off explicitly.

Rubric (6 points)

- Four resources, each with a specific Lumora example (4 pts — 1 each).
- Correctly identifies the patented design as non-rival / not scarce (1 pt).
- Recommendation names the opportunity cost — what Lumora gives up, not only what it gains (1 pt).

Portfolio continuity note

Have students keep Memo 1 in a dedicated Market Analyst Portfolio folder. Lumora's facts established here (one workshop, one assembly line, nine assemblers, two designers, the patented design) carry forward — keep them consistent in later topics' graphs and memos.