

Topic 1.1: Scarcity

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

EXIT TICKET — ANSWER KEY

Topic 1.1 — Scarcity

1. Answer: C

The sewing machine is capital — a manufactured aid to production. **Common wrong answer:** (A) confuses the natural fiber input (land) with the produced tool. Capital is produced and then used to make other goods.

2. Answer: A

The mixer is scarce (rival): if one batch is mixing, another cannot use it at the same time. The recipe is non-rival: many bakers can follow it at once without using it up — the EK MKT-1.A.2 idea that established knowledge need not be scarce. (B) reverses them; (C) and (D) miss the rival / non-rival distinction.

3. Sample full-credit response (3 pts)

Strong response (3/3): Even a profitable firm has only so many workers, machines, and hours, while the things it could make or sell are effectively unlimited. So it still must make trade-offs — running one product means another goes unmade. More profit raises the limit but never erases it, so choices remain.

Scoring rubric (3 pts)

- 1 pt: the firm's resources are finite even when it is profitable.
- 1 pt: the firm's wants/opportunities are effectively unlimited.
- 1 pt: correctly uses 'trade-off' to mean giving up one option to pursue another.