

Topic 1.1: Scarcity

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

MCQ Practice Set — Answer Key

Per-item Skill and LO tags included for targeted feedback.

1. Answer: A (Skill 1.A · LO MKT-1.A)

Scarcity is the gap between unlimited wants and limited resources. B describes running out, not scarcity; C is the opposite of scarcity; D is a disagreement, not a shortage of resources.

2. Answer: B (Skill 1.A · LO MKT-1.A)

The bottling line is capital — a manufactured aid to production. The fruit is land and the crew is labor, but the line itself is a produced tool. Paying for it does not make it entrepreneurship.

3. Answer: C (Skill 1.A · LO MKT-1.A)

Established knowledge such as a formula is non-rival: applying it to one batch leaves it fully available for the next. A treats access as scarcity; B confuses the idea with the effort; D misuses 'shortage.'

4. Answer: D (Skill 1.A · LO MKT-1.A)

Opportunity cost is the value of the next-best alternative given up — here, the lemon-lime run. A misdefines a free good; B invents a price story not in the stimulus; C is false, since scarcity persists.

5. Answer: B (Skill 1.A · LO MKT-1.A)

Because orders exceed resources, choices are forced. A is false; C is impossible given the resource limit; D is itself a choice with an opportunity cost, so it does not avoid choosing.