Review for chapter 1-3 Economics Test

Know what each of the economic thinkers were known for

What the basic economic problem is

Opportunity cost

What is a service

What are economic decisions (the questions)

Three types of resources (natural, capital, human)

Characteristics of the different types of economies (command, traditional, market, mixed)

What are the different types of fallacies and describe them

Production possibilities curve (know how to create the graph, opportunity costs, etc. ex.11 in textbook is a good example)

Law of diminishing returns (be able to describe and give an example)

Know two of the four political economies and be able to explain in detail

Explain Canada’s mixed market economy (give examples from each sector)

Know the five characteristics of a pure market economy

Scarcity (what it is and an example)