

Choices Under Constraint

Trace how scarce resources shape business and worker choices.

12.E2a "Given that the resources of individuals (and societies) are limited, decisions as to what goods and services will be produced and to whom to sell one's resources are driven by numerous factors..."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline limited resources. Circle decision factors. Mark selling labor (1) and buying a service (2).

A Repair Shop's Choices

- ① In a fictional bicycle shop, Marisol has forty technician-hours each week, four repair stands, limited parts, and a marketing budget. Customers request tune-ups, flat-tire repairs, and brake work. She cannot provide every service to every customer immediately. Before scheduling, she compares time, parts, skills, and willingness to pay. Using a scarce resource for one job can mean giving up another. The benefit of the best forgone alternative is an opportunity cost.
- ② Advance bookings and an upcoming cycling event suggest more demand for flat-tire repairs. Marisol orders tubes and assigns a stand because these jobs are quick and many customers are expected. She also reserves time for skilled brake work. A higher price per job does not necessarily mean a greater return per hour after costs. Demand, parts costs, time, and staff skills all affect the plan. She seeks the greatest overall benefit from available resources, while recognizing that efficient production does not by itself settle questions of fairness.
- ③ Riley, a trained technician, compares job offers by pay, predictable shifts, benefits, travel time, and learning opportunities. One offers lower pay with steady hours; another pays more with irregular shifts. Riley chooses Marisol's combination of pay, schedule, and training. Selling labor to a business is a factor-market transaction: labor is a production resource. Commuters buying repairs participate in the product market, which includes services. Both workers and businesses weigh multiple benefits, rather than treating the highest dollar amount as automatically best.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What four limited resources does Marisol have each week?

2 Why does Marisol not choose only the service with the highest price?

3 Which action in the passage takes place in the factor market, and which action takes place in the product market?

4 How do advance bookings and the cycling event affect Marisol's allocation, and why?

3 YOUR TURN _____ Your own words

Imagine you run a one-person tutoring service with eight hours, one laptop, and \$60 for materials. In four sentences, decide which service you will offer and to which customers, identify two factors guiding your choice, and explain what benefit you gain and what you give up.

PART 1 • READ AND MARK

Underline limited resources. Circle decision factors. Mark selling labor (1) and buying a service (2). Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What four limited resources does Marisol have each week?	Technician time, repair stands, parts inventory, and a marketing budget.
2	Why does Marisol not choose only the service with the highest price?	She must also consider demand, time per repair, parts costs, staff skills, and the income each option can generate.
3	Which action in the passage takes place in the factor market, and which action takes place in the product market?	Riley selling labor to Marisol's business is a factor-market action. Commuters buying repairs from Marisol is a product-market action.
4	How do advance bookings and the cycling event affect Marisol's allocation, and why?	She orders tubes and assigns a stand to flat-tire repairs because demand is expected to rise and these jobs are quick.

PART 3 • YOUR TURN (SAMPLE ANSWER)

I have eight hours, one laptop, and \$60 for materials. I will offer algebra tutoring to students who need weekly help, rather than a résumé workshop. I will schedule four two-hour sessions because demand is steady and the service requires little spending from my budget. This choice can provide reliable income, while the opportunity cost is giving up possible workshop fees.

Accept other accurate resource limits, decision factors, and market examples supported by the passage. For the open response, accept any feasible choice that identifies scarcity, customers, at least two decision factors, a benefit, and an opportunity cost.