Choices Shape Life

Analyze scarcity, opportunity cost, productivity, and economic systems.

CE.11 "The student will apply history and social science skills to analyze how economic decisions are made in the marketplace and in daily life by explaining that because of scarcity, consumers, producers..."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each example of a choice caused by limited resources, circle each opportunity cost or productivity idea, and number the three economic systems 1 to 3 to compare who makes decisions.

Decisions at Riverside Market

1 Every Saturday, shoppers at Riverside Market decide how to spend limited money. Lena wants a bike light and a movie ticket, but her $15 will not buy both. She chooses the light because she rides home after dark. The movie is her opportunity cost, the next best choice she gives up. Stores face scarcity too. A bakery has limited flour, workers, oven space, and time. Its owner chooses how many loaves and muffins to make.

2 Innovation can help people use resources in new ways. A baker who buys a dough mixer can prepare more dough in the same hour, raising productivity, or output per worker or per hour. Technology may save time, but workers need human capital, such as training, practice, and knowledge, to use it well. People also have more choices when they are free to choose occupations. A student who learns repair skills might become a bicycle mechanic, opening a business that serves riders.

3 Economic systems organize decisions about limited resources. In a free-market economy, individuals and businesses mainly decide what to produce and buy through voluntary exchange. Prices help signal what buyers want and what producers can offer. In a command economy, the government makes many major decisions about production, prices, and distribution. In a mixed economy, markets make many choices, while government also provides services, makes rules, and may support certain goods. These systems can affect job options, product choices, prices, and access to services in daily life.

2 ANSWER WITH EVIDENCE

Use the passage

1. What choice does Lena make, and what is her opportunity cost?

2. How could the dough mixer raise the bakery's productivity? What human capital do workers need to use technology well?

3. Who mainly makes production and buying decisions in a free-market economy? Who makes many major decisions in a command economy?

4. Give two ways that an economic system can affect a person's daily life, according to the passage.

3 YOUR TURN

Your own words

Invent a shortage in a town or neighborhood. In exactly six sentences, explain a choice and its opportunity cost, describe an innovation or human-capital skill that could improve productivity, and compare how a free-market, command, and mixed economy could allocate the resource and affect people.

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PART 1 · READ AND MARK

Underline each example of a choice caused by limited resources, circle each opportunity cost or productivity idea, and number the three economic systems 1 to 3 to compare who makes decisions. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What choice does Lena make, and what is her opportunity cost?	**Lena buys the bike light. Her opportunity cost is the movie ticket.**
2	How could the dough mixer raise the bakery's productivity? What human capital do workers need to use technology well?	**The mixer lets workers prepare more dough in the same hour. Workers need training, practice, and knowledge to use technology well.**
3	Who mainly makes production and buying decisions in a free-market economy? Who makes many major decisions in a command economy?	**In a free-market economy, individuals and businesses mainly make the decisions. In a command economy, the government makes many major decisions.**
4	Give two ways that an economic system can affect a person's daily life, according to the passage.	**Answers may include job options, product choices, prices, and access to services.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A town has limited buses during the morning rush hour. The transit agency must choose whether to send more buses to the school route or the hospital route. If it adds buses to schools, fewer buses for hospital workers are the opportunity cost. A scheduling app and trained dispatchers could help buses carry more riders on time, increasing productivity. In a free-market economy, private bus companies would mainly use prices and customer demand to decide routes. In a command economy, government would make the route decisions, while a mixed economy could use private companies with government-funded routes for needed service.

Accept equivalent explanations that accurately identify scarcity, a choice, and the next best alternative given up. For the open response, check that all three systems are compared accurately and that the innovation or skill is connected to higher productivity.