

Name: _____

Some Economic Concepts in *Settlers of Catan*

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Capital- Something that produces goods or services that is **not** significantly consumed in the production process.

Raw Materials- Resources used to make other things that **are** significantly consumed in the production process.

Supply and Demand- The **higher the supply**, the lower the selling price; the **lower the supply**, the higher the selling price. The **higher the demand**, the higher the selling price; the **lower the demand**, the lower the selling price.

Diversification- Mixing a wide variety of investments to reduce overall risk by minimizing the risk from any one investment.

Scarcity- The “economic problem” that because of limited resources, not all (seemingly unlimited) human wants and needs can be fulfilled at the same time.

Opportunity Cost- The best alternative thing that could be purchased with given resources.