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## Some Economic Concepts in *Wealth of Nations*

Instructor: Joe Wasserman

### New Concepts in *Wealth of Nations*!

**Marginal Cost**- The cost of producing one more unit of a good.

**Economy of Scale**- When **marginal cost** decreases as output increases.

### Concepts You've Already Seen in *Settlers of Catan*...

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

**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.

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