

GUIDED READING Activity 1-2

For use with textbook pages 12–16

T TRADE-OFFS

RECALLING THE FACTS

Directions: Use the information in your text book to answer the questions.

1. What is a trade-off?

2. What kinds of trade-offs do you make as a student?

3. What does an opportunity cost cause a person to lose?

4. What is important to know before one makes a decision related to their available resources?

Production Possibilities Curve

5. What is a production possibilities curve?

6. The classic example for explaining the production possibilities curve shows the relationship between what two factors?

7. What benefit is there from a nation, business, or individual using the production possibilities curve?
