Introduction to economics (1.1-1.2)

International Baccalaureate · IB Diploma · Economics · SL · Vocabulary in context

Word	Example
economics /ˌiːkəˈnɒmɪks/	**Economics** studies how people choose to use limited resources.
scarcity /ˈskeəsɪti/	**Scarcity** means we cannot have everything we want.
opportunity cost /ɒpəˈtjuːnɪti kɒst/	The **opportunity cost** of a holiday is what else you could have bought.
factors of production /ˈfæktəz ɒv prəˈdʌkʃn/	Land, workers and machines are **factors of production**.
economic agent	A household, a firm and a government are each an **economic agent**.
positive statement /ˈpɒzɪtɪv ˈsteɪtmənt/	“Prices rose 3% last year” is a **positive statement**: it can be checked. “Prices rose 3% last year”
normative statement /ˈnɔːmətɪv ˈsteɪtmənt/	“Prices should be lower” is a **normative statement**: it is an opinion. “Prices should be lower”
scientific method /saɪənˈtɪfɪk ˈmeθəd/	Economists use the **scientific method**: they test ideas against data.
model /ˈmɒdl/	This **model** keeps wages fixed so we can see the effect of one change.
ceteris paribus /ˈsetərɪs ˈpærɪbəs/	**Ceteris paribus** means “all other things staying the same”. “all other things staying the same”。

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Word	Example
key concept	Identity is one **key concept** in the course.
resources /rɪˈzɔːsɪz/	Animals compete for **resources** such as food and water.