Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

Each answer shows the steps, then the **result**.

2.1

- **scarcity**: not enough resources to satisfy everyone's **unlimited wants** (K)

2.2

- an **economic good** is scarce and has an opportunity cost (K)
- a **free good** is not scarce and has **no opportunity cost** (K)

2.3

- **consumers**, **workers**, **producers** (firms), **governments** (K each)

3.1 B

- the air you breathe is **not scarce**, so it is a **free good** (K)
- A, C and D all use scarce resources

3.2

- resources are scarce but wants are unlimited, so a consumer **cannot buy everything** (K)
- they must **choose**, and the next best thing given up is the **opportunity cost** (An)

3.3

- **similar**: both face scarce resources; each choice has an opportunity cost (K + An)
- **different**: a government chooses for millions; a consumer chooses only for themselves (An)
- **judgement (Ev)**: scarcity forces both to choose, but the **scale and aims differ**