

1 Scarcity and choice – Part 1 —Answers

Answers

Work through these after trying the questions yourself.

1.1 When wants are unlimited but resources are limited.

1.2 Because we cannot have everything, so we must choose what to make or buy.

1.3 Land, labour, capital, enterprise.

1.4 Labour.

1.5 Capital.

1.6 The field —**land**; the three staff —**labour**; the oven —**capital**; her idea and running the business —**enterprise**.