

****These Definitions are IMPORTANT to Remember****

- **Scarcity:** a resource or product not readily available to all.
- **Opportunity cost:** the amount of something you are willing to trade for another thing, ex. going to University or having \$7,000.
- **Market Economy:** decisions and the pricing of goods and services that are guided by the interactions of a country's individual citizens and businesses (Eg. Canada)
- **Planned Economy:** Then the government establishes and control what each and every member in society will get. All movements of the economy is controlled by the state (Eg. communism/ socialist nations)
- **Efficiency:** Allocating all available resources to production.
- **Equity:** Distributing economic prosperity fairly (the)
- Important to remember that economics as a whole is a visual science and helps to draw out the graphs of the questions for the mid-term and final exam.
- **Market Failure:** When the market fails to allocate the resources a country fairly.
- **Property Rights:** Ownership over some of the scarce resources (eg. lang).
- **Market Power:** when one person or entity owns a vast quantity of a resource or good (eg. Google).
- **Negative externality:** An action taken to Negatively impact a bystander (eg. Pollution from China)
- **Positive externality:** An action taken to improve the wellbeing of a bystander. (eg. no combustible engine aloud in Denmark)
- **Incentive:** designed to get an individual to do something a government wants you to do mostly for the better.

Two Graphs for the foundational understanding of Economics Microeconomics

- **Production Possibility Frontier:** representing an nation and the allocation of scarce resources and choices you can do/make.
- **Visual representation of a market economy Graph.** Vertical always price, horizontal quantity Supply curve and demand curve
- **Equilibrium Point:** the point in which the supply and demand curves meet.
- Demand curve will always be down, and supply will always go up. Remember this for these graphs!