***What is Economics? (Ch. 18)***

1. We need…, and we want….
2. Economics is the study of how we…and how things are….
3. Microeconomics deals with…, whereas macroeconomics deals with….
4. An economic system is…, and ours would be described as….
5. Resources are…and include….
6. Scarcity is the result of limited…and unlimited….
7. Societies must decide…to produce, …to produce, and …to produce.
8. An example of a trade-off would be…, and in this example the opportunity cost is….
9. Total cost is the sum of fixed costs like…and variable costs like….
10. A cost-benefit analysis involves comparing…and….
11. An example of constant marginal benefit is…, and an example of diminishing marginal benefit is….
12. It makes sense to increase production of goods and services as long as…, but production should stop when….