Intro to Economics Worksheet by C. Kohn, Waterford WI

Partner Names: Hour Date:

Date Assignment is due: Why late? Score: + ✓ -  
 Day of Week Date If your project was late, describe why

**Directions**: Work with your assigned partner to complete this worksheet. When one person is writing, the other should help them determine what to write. Switch roles after each question. Please initial after each question you write.

+ = all space is completely used w/ legible answers. ✓= expectations were met but not exceeded. - = redo assignment

1. For each circumstance, write the benefit and opportunity cost of each decision.   
   **Attending college:**  
   Benefit:   
     
   Opportunity Cost:   
     
   **Working right out of high school:**  
   Benefit:   
     
   Opportunity Cost:   
     
   **Going to an underage drinking party:**  
   Benefit:   
     
   Opportunity Cost:   
     
   **Not going to that same party**:   
     
   Benefit:   
     
   Opportunity Cost:
2. Two things are needed to establish economic value. State both and then state why they are necessary:
3. What is the difference between economic value and intrinsic value?
4. What was the problem with bartering for goods? Why is it not as valuable as a means of exchange as money?   
     
      
     
      
     
      
     
      
   Note: Be sure to address the “double coincidence” of bartering.
5. How do markets enable money to obtain a standard universal value?
6. Why are property rights necessary for money to have value? Explain using ‘opportunity cost’:
7. Summarize the Tragedy of the Commons phenomena in your own words:   
     
      
     
      
     
   How does private property prevent this problem?
8. What is a corporation? Explain in your own words:   
     
      
     
      
     
   Why is this valuable?
9. Why are banks necessary? What are their main two benefits?
10. Why is division of labor and specialization so important to the growth of an economy?
11. How does the existence of money promote international trade?
12. How does the existence of money promote economic growth?