

Chapter 18, Section 1

The Fundamental Economic Problem

(Pages 406–409)

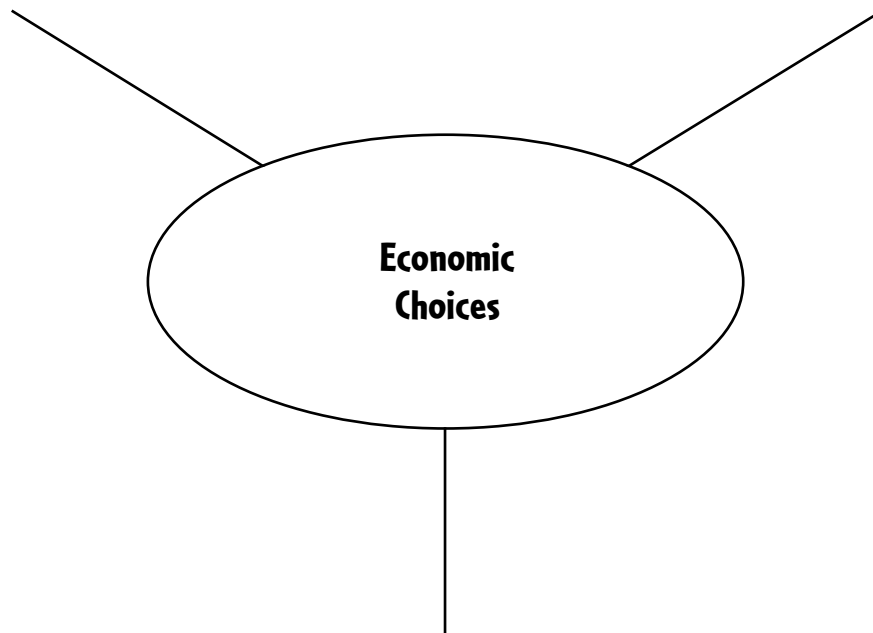
Reason To Read

Setting a Purpose for Reading Think about these questions as you read:

- What is scarcity?
- How do wants and needs differ?

Main Idea

As you read pages 406–409 in your textbook, complete the web diagram by identifying the three economic choices every society must make.



Economic Choices (pages 406–408)

Outlining

Complete this outline as you read.

I. Scarcity

- A. _____
- B. _____
- C. _____

II. WHAT to Produce

- A. _____
- B. _____

III. HOW to Produce

- A. _____
- B. _____

IV. FOR WHOM to Produce

- A. _____
- B. _____

Terms To Know

Define or describe the following terms from this lesson.

economics

needs

wants

scarcity

Academic Vocabulary

Define these academic vocabulary words from this lesson.

enormous

rational

Sum It Up

Because scarcity exists, we must make choices. Explain why this is so.

Using Economic Models (pages 408–409)

Determining the Main Idea

As you read, write the main idea of the passage. Review your statement when you have finished reading, and revise as needed.

Terms To Know

Define or describe the following term from this lesson.

economic model

Academic Vocabulary

Define these academic vocabulary words from this lesson.

data

predict

Sum It Up

What is an economic model?

Section Wrap-up

*Now that you have read the section, write the answers to the questions that were included in **Setting a Purpose for Reading** at the beginning of the lesson.*

What is scarcity?

How do wants and needs differ?
