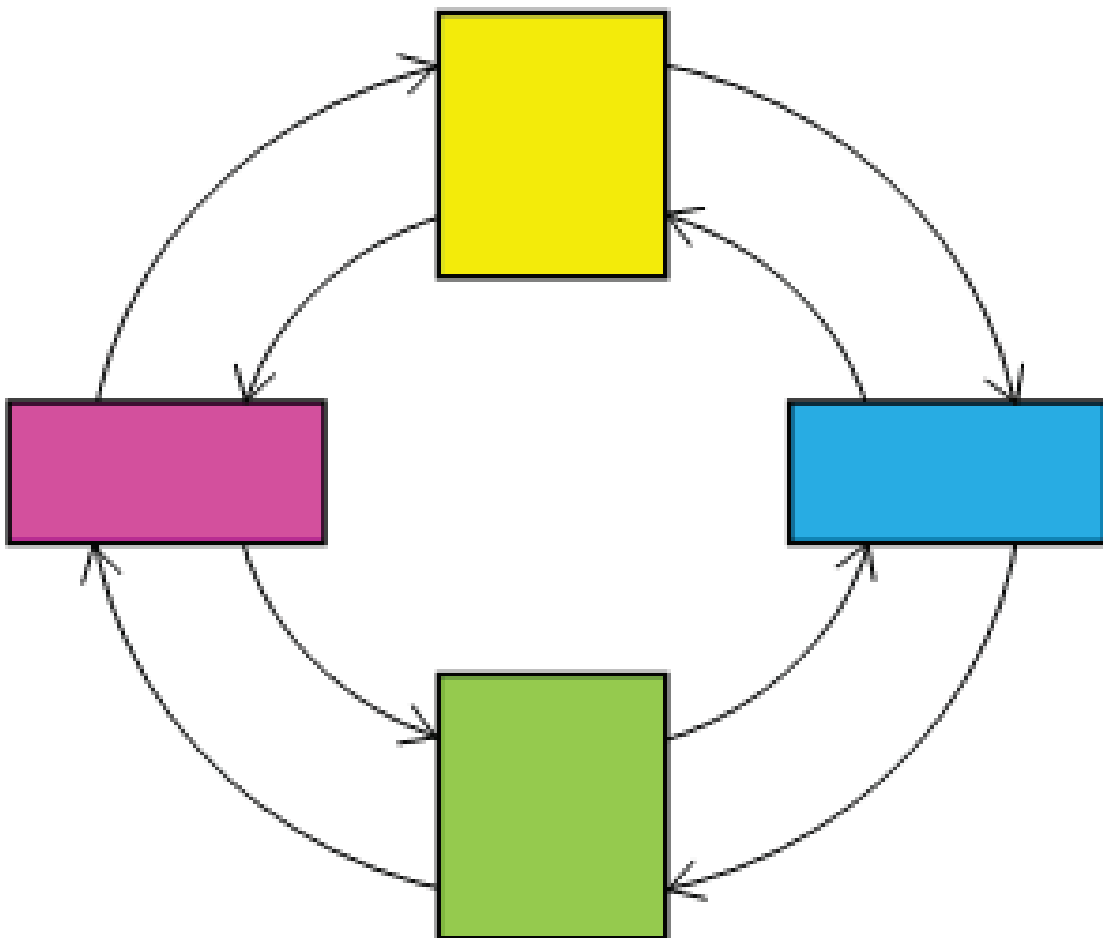


* What did you observe during the simulation? _____

Circular Flow Diagram



* Write a scenario that shows how the term scarcity, choice, and opportunity cost are related. _____

* When you make an economic choice about what good to buy, what influences your decision? _____

* Bob has found two CDs he wants. CD #1 is his first choice, but CD #2 is two dollars cheaper. Which one do you think he will buy? Why? _____

* Marion owns a bakery down the street from another bakery. Both bakeries are popular and charge the same price for a dozen cookies. Marion decides to drop the price of her cookies by twenty-five cents a dozen. How might this affect people buying cookies in the neighborhood? _____