

Unit 9 Vocabulary (Key)

Term	Definition
choice	Selecting an item or action from a set of possible alternatives.
consumption	The using of goods and services.
demand	The amount of a good or service that consumers are willing to buy at a certain price.
incentives	Things that motivate people to change economic behavior.
opportunity cost	The highest valued alternative forgone when a choice is made.
price	The amount of money exchanged for a good or service.
production	The combining of human, natural, and capital resources to make goods and provide services.
resources	Factors used in the production of goods and services.
scarcity	The inability to satisfy all wants and needs at the same time.
supply	The amount of a good or service that producers are willing and able to sell at a certain price.