

The basic economic problem

"How best to satisfy infinite desires using limited resources"

1. Explain the above statement
2. Explain what is meant by the term "scarcity" in relation to the above statement
3. Explain what is meant by the term "choice" in relation to the above statement
4. Explain two advantages and two disadvantages of a free market economy
5. Explain one benefit of a "mixed" economy
6. Explain what is meant by the term "resources" within an economic context