

Scarcity and Choices

Read each scenario and answer the questions.

1) Scenario 1: Park or Movie

Option
A

You can go to the park with your friends and play on the swings, go down the slides, and have a picnic.

Option
B

You can go to the movie theater to watch a new kids' movie that you've been excited about.

a) What are the two options you have?

b) If you choose to go to the park, what do you give up?

c) If you choose to go to the movies, what do you give up?

d) What is the opportunity cost of going to the park?

e) What is the opportunity cost of going to the movies?

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2) Scenario 2: You have been saving your allowance for a few weeks, and you have \$10.

Option A You can spend all your money on a new toy you really like.

Option B You can save your money for a special trip with your family.

a) What are the two options you have with your money?

b) If you choose to buy the toy, what do you give up?

c) If you choose to save your money, what do you give up?

d) What is the opportunity cost of buying the toy?

e) What is the opportunity cost of saving your money?
