Teacher Answer Key

Case Study

1. Choosing healthcare means giving up the roads and bridges for now, along with the jobs and faster transport those projects would have created.

2. When a public health problem is growing, health spending treats an immediate need, while roads can usually wait a budget cycle.

Multiple Choice

1. A

2. C

3. B

Matching

1-C, 2-A, 3-D, 4-E, 5-B

Fill-in-the-Blank

1) limited, 2) opportunity cost, 3) needs

Short Answer (Sample Responses)

Q1: A student deciding between studying and working might choose to study. The opportunity cost is the income they would have earned.

Q2: Governments need to consider trade-offs in budgeting because resources are limited. Allocating funds to healthcare may mean fewer funds for education or infrastructure.

Q3: The Production Possibilities Curve shows the maximum production combinations for two goods, illustrating that increasing one often means reducing the other due to limited resources.