NAME: ______________

BC Economics 12 · Unit 1: Economic Foundations

Student Lesson Handout — Sections 1 to 5

How to use this handout:

Open the lesson on your device alongside this handout. Read each section carefully, then complete the exercises below. Part A and B build your vocabulary using IELTS-style tasks. Part C checks your reading. Part D applies what you learned. Finish with your own reflection.

SECTION 1 THE THREE BIG QUESTIONS

Name: ____________________________ Date: ___________________

What to produce? How to produce it? For whom to produce it?

PART A — VOCABULARY: MATCHING

Match each word (1–5) with its correct definition (A–E). Write the letter on the line.

Word	Definition
1. *economics* ______	**A.** Physical objects you can buy, touch and use (e.g. a phone, food, a bicycle).
2. *goods* ______	**B.** The study of how people make decisions when resources are limited.
3. *services* ______	**C.** Actions that people do for you — you cannot touch a service (e.g. teaching, a haircut).
4. *factors of production* ______	**D.** The system of production, trade and exchange in a society or country.
5. *economy* ______	**E.** The four resources used to make goods and services: land, labor, capital, entrepreneurship.

PART B — VOCABULARY: GAP FILL

WORD BANK *economics* · *goods* · *services* · *factors of production* · *economy*

Complete each sentence. Use one word or phrase from the Word Bank.

1. A phone and a bag of rice are ____________ because you can hold and use them.
2. Teaching and medical care are ____________ — you cannot touch them.
3. Land, labor, capital, and entrepreneurship are the four _________________________.
4. China has a large ____________ with millions of businesses, farms, and workers.
5. ____________ helps us understand why we cannot have everything we want.

PART C — READING CHECK: FILL IN THE BLANKS

1. Every economy must decide: what to ____________, how to ____________ it, and for ____________ to produce it.
2. Resources used for one thing ____________ be used for another thing.

3. When a factory uses robots instead of workers, it answers the "___________ to produce?" question.

PART D — CONCEPT CHECK

1. A city builds a new hospital instead of a new park. Which of the three questions does this answer? Explain.

2. Give one example of each of the three economic questions from everyday life in China.

MY REFLECTION

Think of a decision your family or school made recently. Which economic question did it answer? Explain.

SECTION 2 SCARCITY & CHOICE

Name: ______________________________ Date: _____________________

Why can we never have everything we want?

PART A — VOCABULARY: MATCHING

Match each word (1–5) with its correct definition (A–E). Write the letter on the line.

Word	Definition
1. *scarcity* ______	**A.** Things used to produce goods and services (e.g. land, workers, machines, money).
2. *resources* ______	**B.** The condition where resources are limited but human wants are unlimited.
3. *unlimited wants* ______	**C.** Deciding which wants to satisfy when you cannot have everything.
4. *limited resources* ______	**D.** The fact that people always want more than they currently have.
5. *choice* ______	**E.** Resources are finite — there is only a fixed amount available at any time.

PART B — VOCABULARY: GAP FILL

WORD BANK *scarcity* · *resources* · *unlimited wants* · *limited resources* · *choice*

Complete each sentence. Use one word or phrase from the Word Bank.

1. Even very rich countries face ____________ because human wants never fully stop.
2. Your phone and textbook were made using ____________ such as labor and machines.
3. After you buy a new phone, you want a better one next year — this shows ________________________.
4. Because money is scarce, every person must make a ____________ about how to spend it.
5. There is only so much farmland in northern China — this is an example of ________________________.

PART C — READING CHECK: FILL IN THE BLANKS

1. Resources are ____________, but human wants are ____________.
2. The four factors of production are: ____________, ____________, ____________, and ____________.
3. In economics, "capital" means made ____________ and ____________ — it does NOT just mean money.

PART D — CONCEPT CHECK

1. Is scarcity the same as poverty? Explain why or why not. Give an example.

2. Give one real example of each of the four factors of production from your own school.

MY REFLECTION

What is one resource that is scarce in your own life right now? How does this scarcity affect the choices you make?

SECTION 3 OPPORTUNITY COST

Name: ______________________________ Date: ____________________

"There is no such thing as a free lunch." — Economists

PART A — VOCABULARY: MATCHING

Match each word (1–5) with its correct definition (A–E). Write the letter on the line.

Word	Definition
1. *opportunity cost* ______	**A.** Giving up one thing in order to gain another.
2. *trade-off* ______	**B.** The value of the next best alternative you gave up when making a choice.
3. *rational choice* ______	**C.** What you gain or receive from making a choice.
4. *alternative* ______	**D.** Making a decision by carefully comparing all costs and benefits.
5. *benefit* ______	**E.** Another possible option you could have chosen instead.

PART B — VOCABULARY: GAP FILL

WORD BANK *opportunity cost* · *trade-off* · *rational choice* · *alternative* · *benefit*

Complete each sentence. Use one word or phrase from the Word Bank.

1. You study instead of watching TV — the ________________________ is the enjoyment you missed.
2. Buying food instead of saving money is a ____________ — you get one but give up the other.
3. Getting better grades is one ____________ of studying harder.
4. Restaurant, cooking at home, or street food are three ____________s for lunch.
5. A ________________________ student carefully compares costs and benefits before deciding.

PART C — READING CHECK: FILL IN THE BLANKS

1. Opportunity cost is the value of the NEXT ____________ alternative you did NOT choose.
2. Even "free" things have a cost because they use your ____________ and ____________.
3. When the government builds a railway, the opportunity cost is whatever else the ____________ could have built.

PART D — CONCEPT CHECK

1. You have ¥200. Options: (A) new shoes ¥200, (B) a video game ¥180, (C) dinner with friends ¥80. You choose A. What is your opportunity cost? Why is it not "all three options combined"?

2. A friend says her concert ticket was free, so it cost her nothing. How would an economist respond?

MY REFLECTION

Describe a real choice you made this week. What was the opportunity cost? Looking back, was it worth it?

SECTION 4 THE LAW OF DIMINISHING RETURNS

Name: ______________________________ Date: _____________________

Why does adding more workers sometimes make things worse?

PART A — VOCABULARY: MATCHING

Match each word (1–5) with its correct definition (A–E). Write the letter on the line.

Word	Definition
1. *diminishing returns* ______	**A.** Anything used in production: workers, raw materials, time, or equipment.
2. *input* ______	**B.** When adding more of one input produces less and less extra output over time.
3. *output* ______	**C.** A resource that cannot be changed in the short term (e.g. kitchen size).
4. *marginal product* ______	**D.** The goods or services produced as a result of using inputs.
5. *fixed input* ______	**E.** The extra output produced by adding exactly one more unit of input.

PART B — VOCABULARY: GAP FILL

WORD BANK *diminishing returns* · *input* · *output* · *marginal product* · *fixed input*

Complete each sentence. Use one word or phrase from the Word Bank.

1. The kitchen size in the baozi shop is a ________________________ — it cannot be changed quickly.
2. Adding too many workers to a small kitchen causes ________________________.
3. The number of baozi produced per hour is the ____________.
4. When the 3rd worker adds 12 extra baozi per hour, +12 is the ________________________.
5. Workers, flour, and steaming machines are all ____________s in the baozi-making process.

PART C — DATA ACTIVITY: COMPLETE THE TABLE

Fill in the missing values. Marginal Product = Total Output (this row) − Total Output (previous row).

Workers	Total Baozi / Hour	Marginal Product (extra baozi)
0	0	—
1	20	20
2	36	_________
3	48	_________
4	57	_________
5	63	_________
6	66	_________
7	_________	1
8	_________	−2

PART D — CONCEPT CHECK

1. At what number of workers does the baozi shop reach negative marginal product? What does this mean in real life?

2. Think about studying for a test. How does the Law of Diminishing Returns apply? After how many hours do you think your returns start to diminish?

MY REFLECTION

Give one example from your own life where the Law of Diminishing Returns applies. Describe what happens.

SECTION 5 ECONOMIC EFFICIENCY & THE PPC

Name: ______________________________ Date: _____________________

How do we know if an economy is using its resources well?

PART A — VOCABULARY: MATCHING

Match each word (1–5) with its correct definition (A–E). Write the letter on the line.

Word	Definition
1. *efficiency* ______	**A.** Making goods at the lowest possible cost — the economy is operating on the PPC.
2. *productive efficiency* ______	**B.** Using resources in the best possible way, getting maximum output with no waste.
3. *allocative efficiency* ______	**C.** An increase in an economy's capacity, shown as an outward shift of the PPC.
4. *PPC* ______	**D.** Making the right combination of goods that people actually want most.
5. *economic growth* ______	**E.** A graph showing the maximum combinations of two goods when all resources are fully used.

PART B — VOCABULARY: GAP FILL

WORD BANK *efficiency* · *productive efficiency* · *allocative efficiency* · *PPC* · *economic growth*

Complete each sentence. Use one word or phrase from the Word Bank.

1. Getting maximum output from all available resources with no waste is called ____________.
2. An economy with no unemployment operating on the curve has achieved ________________________.
3. Making the combination of goods that people actually want is ________________________.
4. New farming technology that doubles rice production shifts the ____________ outward.
5. China's rapid development after 1978 is a real-world example of ________________________.

PART C — READING CHECK: FILL IN THE BLANKS

1. A point ON the PPC = ____________ — all resources are fully used with no waste.
2. A point INSIDE the PPC = ____________ — some resources are ____________ or idle.
3. A point OUTSIDE the PPC = ____________ — this cannot be reached with ____________ resources and technology.

PART D — DIAGRAM ACTIVITY

In the box below, draw a PPC for an economy that produces Phones (x-axis) and Rice (y-axis). Label one point A (efficient), one point B (inefficient), and one point C (impossible). Label both axes.

Draw / sketch here:

PART E — CONCEPT CHECK

1. A country has 15% unemployment. Is it operating on, inside, or outside the PPC? Explain.

2. What is the difference between productive efficiency and allocative efficiency? Use an example to explain.

MY REFLECTION

In your school or classroom, give one example of a resource being used inefficiently. How could it be improved?