SSEF1 The student will explain why limited productive resources and unlimited wants result in scarcity, opportunity costs and trade offs for individuals, businesses and governments.
a. Define scarcity as a basic condition that exists when unlimited wants exceed limited productive resources.
b. Define and give examples of productive resources as land (natural), labor (human), capital (capital goods), entrepreneurship.
c. List a variety of strategies for allocating scarce resources.
d. Define opportunity cost as the next best alternative given up when individuals, businesses and governments confront scarcity by making choices.

SSEF2 The student will give examples of how rational decision-making entails comparing the marginal benefits and the marginal costs of an action.
a. Illustrate by means of a production possibilities curve the trade offs between two options.
b. Explain that rational decisions occur when the marginal benefits of an action equal or exceed the marginal costs.

SSEF3 The student will explain how specialization and voluntary exchange between buyers and sellers increase the satisfaction of both parties.
a. Give examples of how individuals and businesses specialize.
b. Explain that both parties gain as a result of voluntary, non-fraudulent exchange.