

Name _____

Economics

Unit 1 – What is Economics?

Marginal Costs/Benefits & Diminishing Marginal Utility

Assignment: Time and money are the scarce resources you will be dealing with for this assignment. For each resource, there are alternative uses listed for the resource. Choose one of those alternative uses. For each use you choose, you will identify the marginal costs & benefits for utilizing that resource in the specified manner. You will also explain how the Law of Diminishing Marginal Utility applies to that resource as you continue to choose additional units of that resource. This assignment is worth 100 points.

Resource: TIME

Alternative Uses:

- Spend an extra hour doing homework or studying in the evening
- Spend an extra hour on the Internet for entertainment (Facebook, YouTube, Twitter, etc.)
- Spend an extra hour practicing/training for your favorite sport
- Sleep an extra hour (go to bed earlier or sleep later)
- Agree to work an additional shift at work
- Commit extra free time to a co-curricular or extra-curricular organization (FBLA, Key Club, etc.)
- Commit extra free time to a church group or community service/charitable organization (Ruritan, Habitat for Humanity, etc.)

Chosen Use	
Marginal Costs (list 3) (5 pts per item, 15 pts total)	
Marginal Benefits (list 3) (5 pts per item, 15 pts total)	
How Law of Diminishing Marginal Utility Applies To This Resource (20 pts)	

Ensure you do the second resource on the back of this page.

Resource: MONEY

Alternative Uses:

- Buy lunch in the cafeteria
- Buy a snack at a convenience store after school
- Buy a snack at a fast food restaurant after school
- Pay your admission to the next home game
- Buy gas for your car
- Buy clothes
- Buy a new video game

Chosen Alternative Use	
Marginal Costs (list 3) (5 pts per item, 15 pts total)	
Marginal Benefits (list 3) (5 pts per item, 15 pts total)	
How Law of Diminishing Marginal Utility Applies To This Resource (20 pts)	