

Economics is the study of how individuals, businesses, and governments allocate scarce resources. Scarcity means that goods and services are limited, forcing us to make decisions about their use. Economics analyzes the production, distribution, and consumption of these goods and services. To study economics, we must address three fundamental questions: what goods and services should be produced, how should they be produced, and who should receive them. The answers to these questions determine a society's economic system.