University of the People

ECON 1580 Introduction to Economics

Unit 1 Written Assignment 1

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Learning Journal: Unit 1 – Scarcity and Opportunity Cost  
  
In our everyday lives, scarcity shapes the decisions we make. As a full-time student balancing academics, work, and personal commitments, I encountered a situation that vividly reflected the concept of scarcity. One evening, I was presented with two mutually exclusive opportunities: applying for a prestigious scholarship that could support further studies, or accepting a part-time job offer that aligned perfectly with my career goals. Both were highly desirable, but my limited time and energy meant I had to choose only one.  
  
This scenario exemplifies scarcity, where time was the limited resource. With only so many hours in a day, I had to choose how best to allocate my time to maximize future value. The importance of time in my decision-making stems from its irreversible nature; once spent, it cannot be recovered, making it a highly valuable and scarce resource.  
  
In evaluating my options, I considered the trade-offs involved. Accepting the scholarship could enhance my academic credentials and increase long-term educational opportunities. On the other hand, taking the job could provide relevant experience and immediate income. Ultimately, I chose the job, valuing practical experience and financial support. The opportunity cost of this decision was the scholarship and the benefits it could have provided in terms of academic advancement and recognition.  
  
Another situation where I encountered scarcity and opportunity cost was during the final semester of my undergraduate studies. I had to decide between preparing for final exams or attending networking events hosted by companies offering graduate roles. The scarcity of time forced me to prioritize. I chose to study for exams, believing that strong academic results would improve my chances in the long term. The opportunity cost was the potential job connections I missed by not attending the events.  
  
These personal experiences mirror the foundational concepts of economics. As described by Greenlaw and Shapiro (2017), economics is essentially about making choices in the presence of scarcity, and every choice entails an opportunity cost—the value of the best alternative forgone. This principle underpins both microeconomic and macroeconomic decision-making, influencing how resources are allocated by individuals, businesses, and governments alike.  
  
Understanding these concepts is vital for developing economic literacy. It helps individuals make more informed decisions and fosters a deeper awareness of how economies operate. These principles also connect to broader themes such as efficiency, trade-offs, and resource allocation, which are essential for analyzing real-world issues like budgeting, investment, and public policy.  
  
In summary, the lens of scarcity and opportunity cost offers a powerful framework for interpreting both personal and societal choices. Through real-life decisions, we begin to grasp the practical relevance of economics and its role in shaping outcomes at every level of human activity.  
  
References   
Greenlaw, S. A., & Shapiro, D. (2017). ‘Principles of economics’ (2nd ed.). OpenStax. https://openstax.org/books/principles-economics/pages/preface