## Self-Check Questions

[1](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idp29324864-solution).

What is scarcity? Can you think of two causes of scarcity?

[2](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idp17722592-solution).

Residents of the town of Smithfield like to consume hams, but each ham requires 10 people to produce it and takes a month. If the town has a total of 100 people, what is the maximum amount of ham the residents can consume in a month?

[3](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idm44213984-solution).

A consultant works for $200 per hour. She likes to eat vegetables, but is not very good at growing them. Why does it make more economic sense for her to spend her time at the consulting job and shop for her vegetables?

[4](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idm9204768-solution).

A computer systems engineer could paint her house, but it makes more sense for her to hire a painter to do it. Explain why.

[5](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idp114519664-solution).

What would be another example of a “system” in the real world that could serve as a metaphor for micro and macroeconomics?

[6](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idp45666752-solution).

Suppose we extend the circular flow model to add imports and exports. Copy the circular flow diagram onto a sheet of paper and then add a foreign country as a third agent. Draw a rough sketch of the flows of imports, exports, and the payments for each on your diagram.

[7](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idp29826816-solution).

What is an example of a problem in the world today, not mentioned in the chapter, that has an economic dimension?

[8](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idm62491568-solution).

The chapter defines *private enterprise* as a characteristic of market-oriented economies. What would *public enterprise* be? *Hint*: It is a characteristic of command economies.

[9](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-1#fs-idm186615616-solution).

Why might Belgium, France, Italy, and Sweden have a higher export to GDP ratio than the United States?