**What is Economics? Research Task**

Please answer the questions below in your own words, where appropriate.

As this is a new subject, do not worry if you think your answer is not fully correct. But **answer all the questions**.

Please ensure you use UK websites for your research. A useful site is: [tutor2u | A Level Economics Year 1 Microeconomics Study Notes](https://www.tutor2u.net/economics/reference/as-microeconomics-study-notes-topic-listing). In particular, look at the sections on: ‘Scarcity and Choices’, ‘Economic Resources’ and Positive and Normative Statements’

**Questions**

1. What is economics? Find at least two definitions
2. What is the difference between ‘wants’ and ‘needs’?
3. What is ‘the basic economic problem’?
4. Identify and describe the four ‘factors of production’ with examples.
5. Explain what is meant by scarcity and why choice is necessary.
6. Opportunity Cost:
7. Define it
8. Give an example
9. Why is it an important concept in economics?
10. With the help of examples, distinguish between:
11. Economic and free goods
12. Positive and normative statements
13. Microeconomics and macroeconomics
14. Is economics an art, a science, or a social science? Explain why it is classified in this way.
15. Why do economists disagree?
16. How will studying economics help you in the future?

Useful website: [» Your ambitions - Why Study Economics?](https://whystudyeconomics.ac.uk/Your-ambitions/)