GENERAL ECONOMIC ENGLISH

Week 03: Scarcity, Choice and Opportunity Cost

1. Main Academic Text & Core Concepts

The central problem of economics is scarcity: the fundamental tension between limited resources and unlimited human needs and desires. Resources—classified into land, labour, capital, and enterprise—exist in finite quantities, whereas consumer demand for goods and services is virtually boundless.

Because of scarcity, choices must be made. Individuals, business enterprises, and governments are forced to choose which needs to satisfy and which to forgo. Distinguishing between 'needs' (essential items required for survival, such as basic food, shelter, and medical care) and 'wants' (desires that enhance life but are not strictly necessary) is central to economic planning.

Every choice involves a trade-off. The real cost of any decision is its Opportunity Cost: the value of the next best alternative given up when making a choice. For example, if a firm spends $1 million on new machinery, the opportunity cost is the potential return from investing that same $1 million in research and development.

2. Key Terminology & Academic Definitions

Scarcity	Noun	The basic economic problem of satisfying unlimited wants with limited resources.
Opportunity Cost	Noun	The cost of an alternative that must be forgone in order to pursue a certain action.
Trade-off	Noun	A balance achieved between two desirable but incompatible features; a compromise.
Resource Allocation	Noun	The assignment of available resources to various uses.
Finite	Adjective	Having limits or bounds; limited in size or extent.
Needs	Noun	Basic requirements essential for human survival.
Wants	Noun	Desires for goods and services beyond basic survival necessities.

3. Language Focus: Expressing Choices, Cause, & Effect

Causal Connectors: Express logical outcomes using: 'Because', 'Therefore', 'As a result', 'Consequently'.

Modals of Choice & Obligation: Use 'must', 'should', 'can' to describe decision constraints (e.g., 'Firms must prioritize spending').

Conditional Structures: First Conditional for decisions: 'If a company chooses Option A, it will sacrifice Option B.'