**NAME: HOUR: GRADE:**

**Economics Video Questions**

***Week of April 13th***

**Episode 2 – Specialization and Trade**

1. What major event triggered an increase in the standard of living for most people?
2. What did Adam Smith (first modern economist) believe made countries wealthy?
3. Explain the idea of specialization as it relates to the example of the pizza store.
4. Explain the difference between absolute advantage and comparative advantage based on the video.
5. Do you agree or disagree with the argument in the video that specialization and trade make the world better off? Explain your reasoning.
6. Use the example of a cell phone (mentioned in the video) and identify all the different types of specialization that would be involved in producing a phone.

**Episode 3 – Economic Systems and Macroeconomics**

1. What three questions need to be answered to create an economic system?
2. What is the difference between socialism and communism according to the video?
3. What are the three aspects that prevent there from being a completely free market economy?
4. Do you think everyone operating in his/her own best self-interest would be the best for society? Explain your reasoning.
5. Using the example mentioned of cars, what do you think would be the result if there were only one central agency that was responsible for making cars? What would that car industry look like?

**Episode 4 – Supply and Demand**

1. What are most markets based on?
2. What signals the things that should be produced and how much should be produced?
3. Describe some examples mentioned of the types of external forces that can cause shifts in the supply and demand curves.
4. Explain the reasons why economists, according to the video, would tend to be opposed to subsidies and bailouts.
5. What do you think of the idea described of potential markets for human organs? Explain.
6. Using the example of oil from the video, what are the some of the various factors that would cause the price shifts we see in the price of oil/gasoline?