Answers to Questions for Review

1.1 They are all caused by scarcity, because the people concerned cannot consume as much as they would like.

1.2 (a), (c), and (e) are microeconomic issues, concerned with the price of a product traded in one market and with the wages of labour in two labour markets. (b), (d), and (f) are macroeconomic issues, concerned with economies as a whole.