

How Can I Make Better Choices?

Keystone Principle #7 – Economic Thinking is Marginal Thinking

Monthly Teaching Theme #7 Student Assessment *(Primary Grades)*

Name _____

Date _____

Do you agree or disagree with the ideas in the following statement? What does marginal thinking have to do with your answer?

**“I paid to see this movie,
and I will keep watching it even if I don’t like it.”**

Monthly Teaching Theme #7 Student Assessment (Elementary Grades)

Name _____

Date _____

- I. On a separate sheet of paper, write answers to the following questions: Do you agree or disagree with the ideas in the following statement? What does marginal thinking have to do with your answer?

“I paid to see this movie, and I will keep watching it even if I don’t like it.”

II. Vocabulary

Match each word with its definition

____ 1. Marginal

____ 2. Marginal cost

____ 3. Marginal benefit

____ 4. Sunk costs

____ 5. Utility

- a. The additional gain from consuming or producing one more unit of a good or service; can be measured in dollars or satisfaction.
- b. An abstract measure of the satisfaction consumers derive from consuming goods and services.
- c. Things you have already given up in order to try to get something.
- d. An economic word that describes the additional cost (or the additional benefit) of a given behavior.
- e. The increase in a producer's total cost when it increases its output by one unit.