

## ECO 150: Worksheet for Week 1.

For class, we will discuss two economic policy issues and how they relate to scarcity, tradeoffs, and incentives.

1. During the covid-19 pandemic, governments enacted **conducted non-pharmaceutical interventions** to reduce the impact of the virus, including “lockdowns” which entail business closures, school closures, and stay at home orders.

a. How does scarcity apply to this issue?

b. What trade-offs are involved with enacting these policies?

c. What fields of economics are most concerned with this policy issue?

d. What evidence might be helpful in determining whether this policy is a good idea?

2. Proposals for a **carbon tax** are among the most popular to address climate change.

a. How does scarcity apply to this issue?

b. What trade-offs are involved with enacting this policy?

c. How might a carbon tax affect incentives as a way to address climate change?