

ECONOMICS

“The Basics of
Economics”

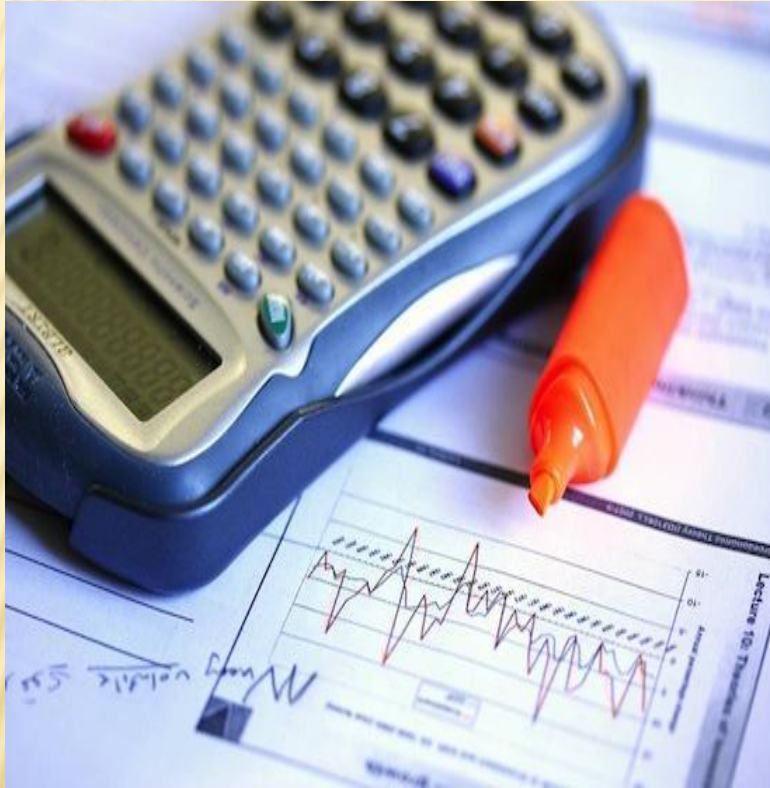


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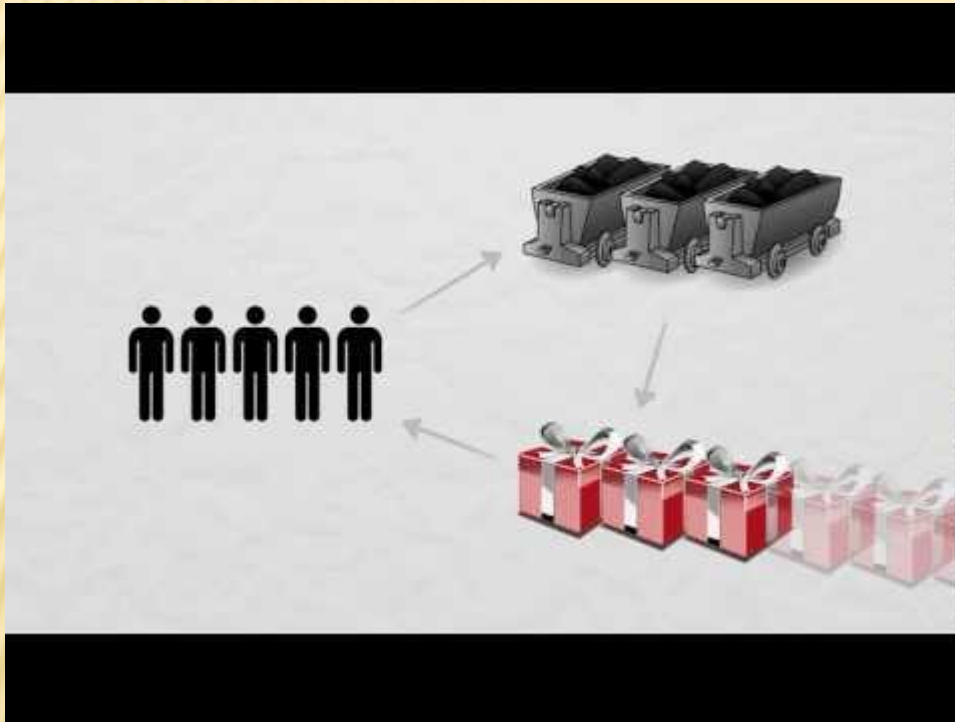
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Economy ↓ econ

The study of the choices people make in an effort to satisfy their wants and needs is called economics. Wants and needs refer to people's desires to consume certain goods and services. In economic terms, a good is a physical object that can be purchased. A record, a house, and a car are examples of a good. A service is an action or activity done for others for a fee. Lawyers, plumbers, teachers, and taxicab drivers extend services. The term product is often used to refer to both goods and services.

BASICS OF ECONOMICS



The people who wish to buy goods and services are called consumers and the goods that they buy are called consumer goods. The people who make the goods and provide services that satisfy consumers' requirements and needs are called producers.

Economists generally classify as needs those goods and services that are necessary for survival. Food, clothing, and shelter are considered to be needs. Wants are those goods or services that people consume beyond what is needed for survival.

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- The need for making choices arises from the problem of scarcity. Scarcity exists because people's wants and needs are greater than the resources available to satisfy them. Thus people must choose how best to use their available resources to satisfy the greatest number of wants and needs.
 - A resource is anything that people use to make or obtain what they want or need. Resources that can be used to produce goods and services are called factors of production.

Economists usually
divide these factors
of production into
three categories→

- ☐ Natural resources
- ☐ Human resources
- ☐ Capital resources.

Today many economists have added technology
and entrepreneurship to this list.

NATURAL RESOURCES



Items provided by nature that can be used to produce goods and to provide services are called natural resources. Natural resources are found in/or on the earth or in the earth's atmosphere. Examples of natural resources on the earth are fertile land, vegetation, animals, and bodies of water. Minerals and petroleum are examples of natural resources that are found in the earth. Atmospheric resources include the sun, wind and the rain. A natural resource is considered a factor of production only when it is used to produce goods and to provide services.

HUMAN RESOURCES



Anyone who works is considered a human resource. Any human effort that exerted in production process is classified as a human resource. The effort can be either physical or intellectual. Assembly-line workers, ministers, professional sports figures, physicians, store clerks, and sanitation engineers are all human resources.

CAPITAL RESOURCES



The money and capital goods that are used to produce consumer products are called capital resources. Capital goods include the buildings, structures, machinery, and tools that are used in the production process. Department stores, factories, industrial machinery, dams, ports, wrenches, hammers, and surgical scalpels are all examples of capital goods.

Economists make an important distinction between capital goods and consumer goods. Capital goods are the manufactured resources that are used in producing finished products. Consumer goods are the finished products – the goods and services that the consumers buy.

Some products can be either capital goods, depending on how they are used. A bicycle purchased for personal use is a consumer good. The same is not true when the bicycle is purchased by a New York messenger service. Because the messenger service will use the bicycle to make deliveries – to provide a service – the bicycle is considered a capital good.

TECHNOLOGY



The use of science to create new products or more efficient ways to produce products is called technology. Technology makes the other factors of production – natural, human and capital resources – more productive. Technological advances in the computer industry, for example, have increased efficiency in the workplace.

ENTREPRENEURSHIP



The risk-taking and organizational abilities involved in starting a new business or introducing a new product to consumers are called entrepreneurship. The goal of entrepreneurship is to create a new mix of the other factors of production and thereby create something of value. The entrepreneur is a person who attempts to start a new business or introduce a new product.

WORDS AND EXPRESSIONS

- consumer – потребитель
- consumer goods – потребительские товары
- entrepreneur – предприниматель
- entrepreneurship – предпринимательство
- factor of production – движущая сила производства
- fee – вознаграждение, гонорар
- for a fee – за плату
- goods – товар, товары
- human resources – кадры, персонал
- natural resources – природные богатства
- need – первостепенная необходимость, жизненные потребности
- producer – производитель
- product – продукт, продукция
- production – производство
- purchase – покупка, закупка
- resource – ресурсы, возможности
- satisfy – удовлетворять (кого-либо, чьи-либо требования, запросы)
- scarcity – нехватка, дефицит
- service – обслуживание
- survival – выживание
- technological advances – технический прогресс
- technology – техника
- want – необходимость, потребность
- cost – стоимость
- international trade – международная торговля
- manufactured goods – промышленные товары
- narrow range of products – ограниченный ассортимент продукции
- productivity – производительность
- unequal distribution of resources – неравномерное распределение ресурсов
- voluntary exchange of goods – добровольный обмен товарами
- well-developed means of production for goods – хорошо развитая база средств производства товаров
- well-tapped natural resources – хорошо разработанные природные ресурсы

THANK
YOU

A cartoon illustration of a smiling face with a red tongue, integrated into the letter 'O' of the word 'YOU'. The face has a large, open mouth showing a red tongue, and its eyes are squeezed shut in a happy expression. The face is positioned between the 'Y' and 'U' of the word 'YOU', which are rendered in the same 3D green block letter style as the word 'THANK' above it. The entire graphic is set against a white background, which is itself centered on a larger yellow background with a subtle diagonal line pattern.