

Example Notebook Left Side

[Econ Example Notebook]

Ch. 1 What is Economics?

1.1 Scarcity & the Factors of Production

A. Scarcity & choice

1. people cannot have everything they need & want.
 - a. **need** - something nec. for survival
 - b. **want** - " we desire, but not nec. for survival
 - c. **economics** - the study of how people seek to satisfy their needs & wants by making choices.

B. Scarcity

1. scarcity exists in all places at all times
 - a. **goods** - physical objects (i.e. shoes, shirts)
 - b. **services** - actions one person performs for another (i.e. haircut, dental check up)
2. defining scarcity - all goods & services we produce are scarce.
 - a. scarcity implies limited quantities of resources to meet unlimited wants.
 - b. sooner or later a limit is reached
 - c. at its core, econ. is about solving the problem of scarcity.
3. scarcity vs. shortages
 - a. **shortage** - occurs when producer cannot offer good & services @ current prices.

C. Land

1. Factors of production - the resources that are used to make all goods & services.
2. **land** - all nat. resources ^{used} needed to produce goods & services.

D. Labor - the effort that a person devotes to a task for which that person is paid.

E. Capital - any human-made resource that is used to produce other goods & services.

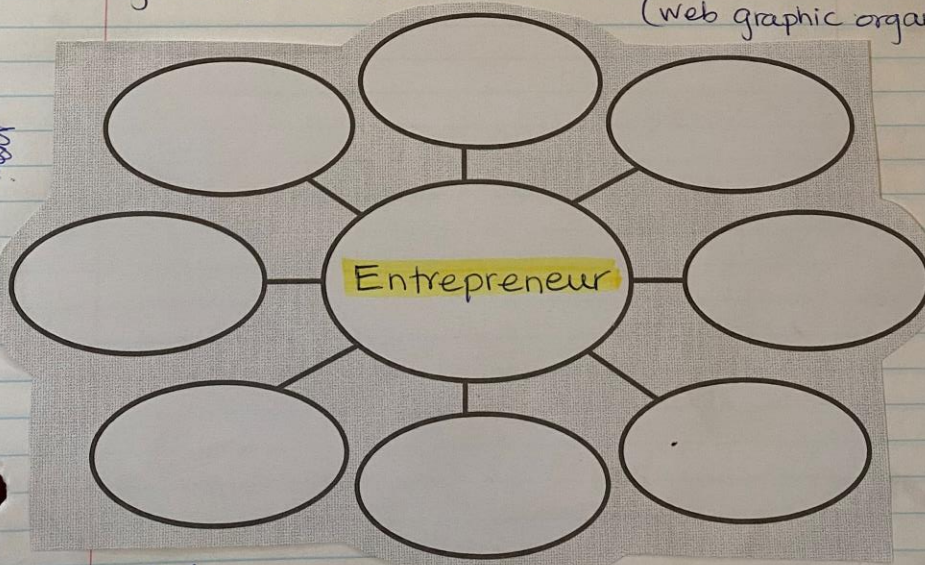
1. **physical capital** - human-made objects used to create other goods & services.
2. **human capital** - the knowledge & skill a worker gains through education & experience.

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Key Terms: p. 3

1. **need** - something nec. for survival.
2. **want** - " we desire, but not nec. for survival.
3. **economics** - the study of how people seek to satisfy ^{needed} wants.
4. **goods** - physical objects
5. **services** - actions one person performs for another.
6. **scarcity** - limited quantities of resources to meet ^{unlimited} wants.
7. **shortage** - occurs when producer can't offer g's. at ^{current} prices.
8. **factors of prod.** - land, labor & capital
9. **land** - all nat. resources used to produce goods & services.
10. **labor** - the effort a person devotes to a task is paid.
11. **capital** - any human-made resource.
12. **physical capital** - human-made obj. used to create g's.
13. **human capital** - the knowledge a worker uses.
14. **entrepreneur** - ambitious leaders who decide how to use land, labor & capital to create new goods & services.

(web graphic organizer)



(draw this) ↗