

Economics - Resources, Production, Distribution, and Consumption

- Wants
 - Everyone has _____. Our most basic wants are for food, clothing, and shelter.
 - People have an almost _____ number of wants once basic needs are met.
 - Peoples' wants often _____ by culture and society and _____ over time.
 - Many wants can only be satisfied over a _____ period of time.
- Factors of Production
 - The resources people have for producing goods and services to satisfy their wants are called _____.
 - The _____ basic factors of production are labor, land, and capital.
 - _____ includes time and energy.
 - _____ is made up of the natural resources needed to help produce goods (i.e. soil, water, timber)
 - _____ is anything used in an economy that is saved to be used to produce other goods and services.
- Production
 - To produce the _____ and services that people want - the resources of labor, land, and capital must be _____ in a process called _____.
 - Ex. Farmers produce food by combining soil, water, and sunlight (_____) with seeds and machinery (_____). They also use their knowledge, skills, time, and energy (_____).
- Distribution
 - Production is followed by _____, the process by which goods and services are made _____ to the people who want them.
 - Ex. The truck that _____ bread to the grocery store is part of the distribution process.
- Consumption
 - Finally, when goods and services have been produced and distributed, they are ready for _____.
 - Consumption is the act of _____ or _____ goods and _____.
- Making Choices
 - A basic truth about all societies is that there are never enough _____ to produce all the goods and services people want.
 - As a result, people must make _____ about which of their wants will be satisfied and which will not.
 - These choices are economic choices, and the process of making them is what an _____ is all about.
- Benefits and Cost
 - One part of making an economic decision is looking at the _____ you will receive from each of your possible choices.
 - A second part involves looking at the _____ of your decisions. The major cost of any decision is giving up the benefits you would have received from the _____ best _____.
 - The next best alternative is your _____.
- Scarcity
 - _____ means that resources are always _____ compared with the number and variety of _____ people have.

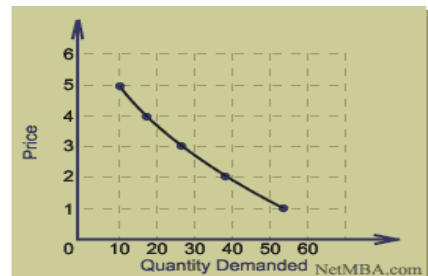
- Scarcity is a problem in both _____ societies and poor ones.
- The idea of scarcity is based not on the total amount of resources in a society, but on the _____ between wants and the resources available to satisfy them.

The Principles of Our Market Economy

- Supply and Demand - Overview
 - As goods, services, and money flow through the economy, producers and individuals act as both _____ and _____.
 - When buyers and sellers come together to exchange goods and services, they do so through what is called a _____.
 - Markets determine _____ and how much will be produced in a _____ economy.
- Supply and Demand – How does it work?
 - In our _____ economy, individuals are free to make _____ about how to use resources to satisfy their needs.
 - Producers _____ to sell goods and services to consumers.
 - When there is free _____ among sellers and buyers, a market works according to the laws of supply and demand.

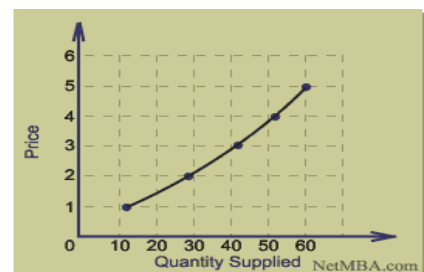
- The Law of Demand

- _____ is defined as the _____ of a product or service buyers are willing and able to _____ at different prices.
- The _____ the price of an item, and thus its cost to you, the more likely you are to _____ it.
- If cost is low, demand for a product will be higher. If _____ is high, demand for a product will be lower.



- The Law of Supply

- _____ is defined as the amount of a product that _____ are willing and able to offer at different prices.
- The higher the price, the higher the _____ to the producer. When the price is _____, more producers are willing to supply the product and to supply _____ of it.
- When the price is low, fewer producers are willing to supply the product, and the _____ supplied will be low.

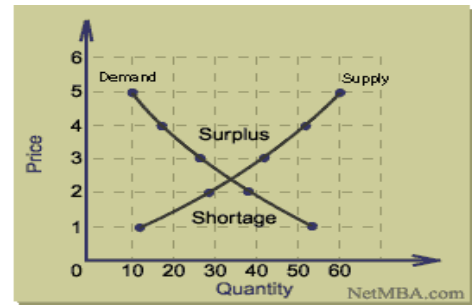


- Supply and Demand

- Think about a farmer's market. _____ want to sell at a _____ price. _____ want to buy at a _____ price.
- The law of supply and the law of demand work together in _____ both the price of a product and the quantity that will be offered.
- At higher prices, more of a product will be supplied but less will be demanded. At lower prices, less will be supplied but more demanded.

- Market Price

- In an ideal _____, the quantity supplied and the quantity demanded will tend to be _____ to each other.
- The market price is the _____ at which buyers and sellers _____ to _____.
- If the demand and supply curves are placed on the same graph, the market price will be where the lines _____, or cross.



- Other Influences

- Demand can be _____ by factors other than price. For example, the demand of _____ products, such as _____, will not change very much when the price changes because people _____ that they need the product.
- Advertising, styles of fashion, and the way consumers perceive a certain product can also have a very important _____ on demand. For example, you might choose to buy a higher-priced pair of jeans because that brand is more _____ than a lower-priced brand.

- The Value of Money

- _____ A persistent increase in the level of consumer prices or a persistent decline in the purchasing power of money, caused by an increase in availability of currency and credit beyond the amount of available goods and services.
- _____ An extended decline in general business activity, typically two consecutive quarters of falling real gross national product

- National Spending

- _____ - The monetary (money) value of _____ the goods and services _____ by an _____ over a specified period. It includes consumption, government purchases, investments, and exports minus imports
- _____ - An unsold quantity of a good resulting from a lack of balance in a market. For example, if a price is unnaturally _____, sellers will bring _____ goods to the market than buyers will be willing to buy.

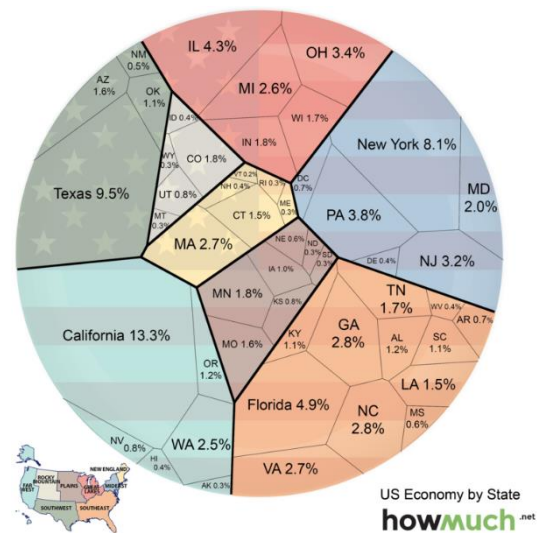
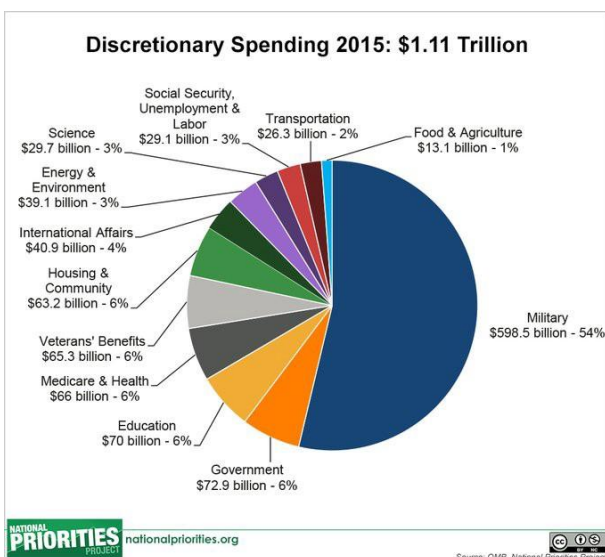
- Government Spending

- _____ - the amount of money government spending is greater than government income.

<http://www.usdebtclock.org/>

U.S. Budget

GDP by state



Labor/Workers

- _____ - An association of _____ for the purpose of improving their economic status and working _____ through collective bargaining with employers
- _____ - Negotiation between organized _____ (labor unions) and their employer or _____ to determine wages, hours, rules, and working conditions.
- Business
 - An organization where goods and services are exchanged for one another or for money.
 - Every business requires some form of investment and enough customers to whom its output or product can be sold on a consistent basis in order to make a _____.
 - Businesses can be **privately owned, not-for-profit** or **state-owned**. An example of a _____ is PepsiCo, while a mom-and-pop catering business is a _____.
- Business – Corporations
 - _____ - A business organization owned by a group of stockholders, each of whom enjoys _____ (that is, each can be held responsible for losses only up to the limit of his or her investment).
 - _____ - signifies ownership in a corporation and all stocks added together equal the _____ of the company.
- Corporate limitations
 - _____: a combination of firms or corporations for the purpose of reducing _____ and controlling _____ throughout a business or industry.
 - _____: a situation in which a single company owns all or nearly all of the market for a given type of product or service.
 - Trusts and Monopoly's are illegal in the U.S.