

Introduction to Economics:

Vocabulary Terms

Chuck Norris Joke of the Day:

- Santa leaves out cookies for Chuck Norris.
- When Alexander Graham Bell invented the telephone, he had missed 3 calls from Chuck Norris.
- Chuck Norris has already been to Mars; that's why there are no signs of life.

Economics:

- Study of how people & societies choose to use limited resources to try to satisfy unlimited wants.

Scarcity:

- Humans possess unlimited wants while we have limited resources.
- The Earth has a _____ amount of resources.



Wants vs. Needs:

- Needs: things individuals must have to survive.
- Examples: Food/H₂O, Shelter, Clothing, Education (inside U.S. only)



Wants vs. Needs

- **Wants**: things, either tangible or intangible, that people desire but are not necessary for survival.



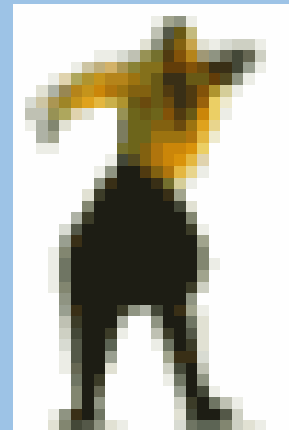
Goods and Services:

- Goods: physical (tangible) objects that can satisfy people's wants



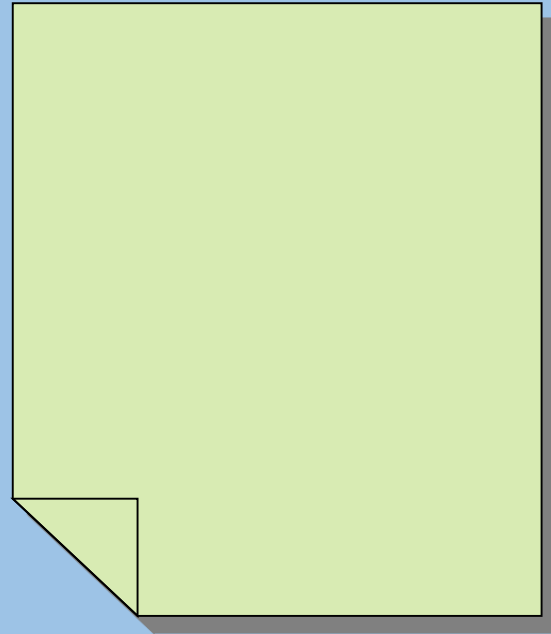
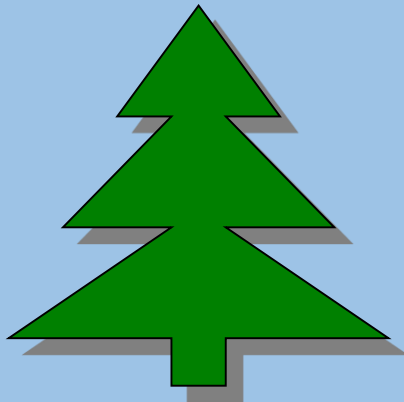
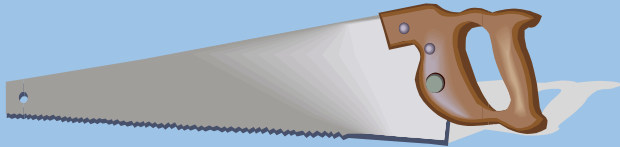
Goods & Services:

- Services: actions (intangible) that one person performs for another to satisfy wants.



Factors of Production:

- Factors of production: the resources needed to produce goods and services.



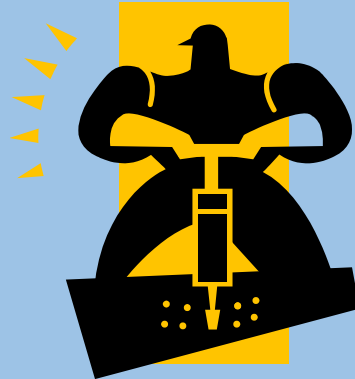
Types of Factors of Production:

- Land (Natural): anything found in nature



Types of Factors of Production

- Labor: Human Physical & Mental skills.
 - Example: auto worker that builds a car



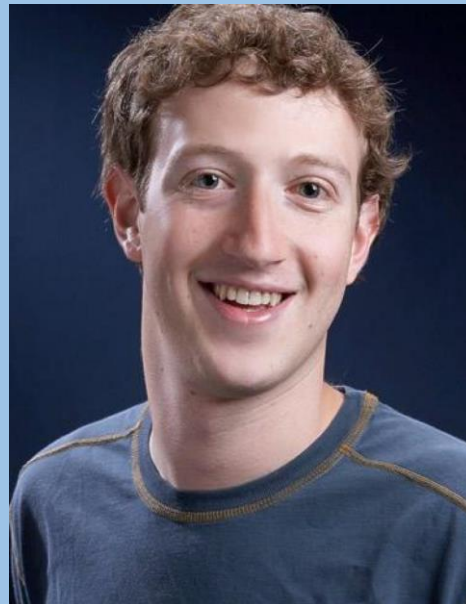
Types of Factors of Production

Capital (2 Types)

- **Physical Capital:** Goods used to produce other goods (i.e. machinery).
- **Human Capital:** involves accumulated training and education of workers (i.e. medical school).

Types of Factors of Production

- Entrepreneurship: The person who brings the factors of production together to produce a product.



Types of Factors of Production

- Technology: use of science to develop new products and methods for producing and distributing goods and services



Chuck Norris Joke(s) of the Day.

- I. Chuck Norris didn't have a mom and dad, he created himself.
- II. Edward and Jacob are team Chuck Norris.
- III. The Sun only rises when Chuck Norris wakes up.

Discussion Questions:

1. How can you determine whether or not something is truly a need?
2. What are some of the choices competing for your income (\$)?
3. What is your most scarce resource? What competing uses do you have for that resource?
4. All of the factors of production are important and impact each other. Which factor seems most important to you and why?

Vocab. Terms

- Economics
- Scarcity
- Wants
- Needs
- Goods
- Services
- Factors of Production
- Land
- Labor
- Physical Capital
- Human Capital
- Entrepreneurship
- Technology
- Trade Off
- Opportunity Cost
- Guns or Butter
- Producer
- Consumer
- Production Possibility Curve
- Economics Model
- Shortage
- Microeconomics
- Macroeconomics

Scarcity Reading + Assignment

- Read the Scarcity Packet quietly. (15 minutes).
- You may want to have you notebook out to jot down new insights to the notes you took yesterday.
- You are accountable for this information on the test.

- Assignment
- On a piece of paper...
- Answer questions 1, 3, 5, and 8 (Chapter 1 Section 1)

Luke Skywalker

Econ. – 4th Hour

Mr. Johansen

8/14/14

Scarcity 1.1 Questions

- 1) A good yadda yadda yadda.
While a service yadda yadda yadda.
- 3)
- 5)
- 8) a – office building = _____
b – assembly line worker = _____

Sample Test Questions:

1. Which of the following is NOT a key economic question?
 - a) What goods and services should be produced?
 - b) How should the goods and services be produced?
 - c) Who consumes the goods and services?
 - d) How should it be ensured that goods and services are paid for?

2. What incentive motivates a manufacturer to sell a product?
 - a) Making profits on sales
 - b) Putting others out of business
 - c) Pleasing the consumer
 - d) Popularity of the Product

3. What is the regulating force of a market economy
 - a) Competition
 - b) Invisible Hand
 - c) Self-Interest
 - d) Specialization