

# **Economics Intro Vocabulary**

**Scarcity is when....**

**...resources are limited,**

**And...people's wants/needs are unlimited,**

**So...people must make choices.**



## Resources are...

**any natural or  
human wealth  
that can be  
used for  
satisfying  
human needs**



## Capital is...

**wealth in the form of money or other assets owned by a person or organization or available or contributed for a particular purpose such as starting a company or investing in a company.**



## Labor is...

**human activity  
that provides  
the goods or  
services in an  
economy**



# Entrepreneurship is...

**the activity of setting up a business or businesses, taking on financial risks in the hope of profit.**

## What You Need to Become an Entrepreneur

-  Qualities like passion, tenacity, vision, and self-confidence
-  A great idea that people will pay money for
-  A plan of success
-  Consistent execution of the plan



 the balance

**Trade is...**

**the action  
of buying  
and selling  
goods and  
services.**







# The means of production or the factors of production are...

...the inputs used in the production of goods or services in order to make an economic profit. These include any resource needed for the creation of a good or service. The factors of production include land, labor, capital, and entrepreneurship.

## Factor Income

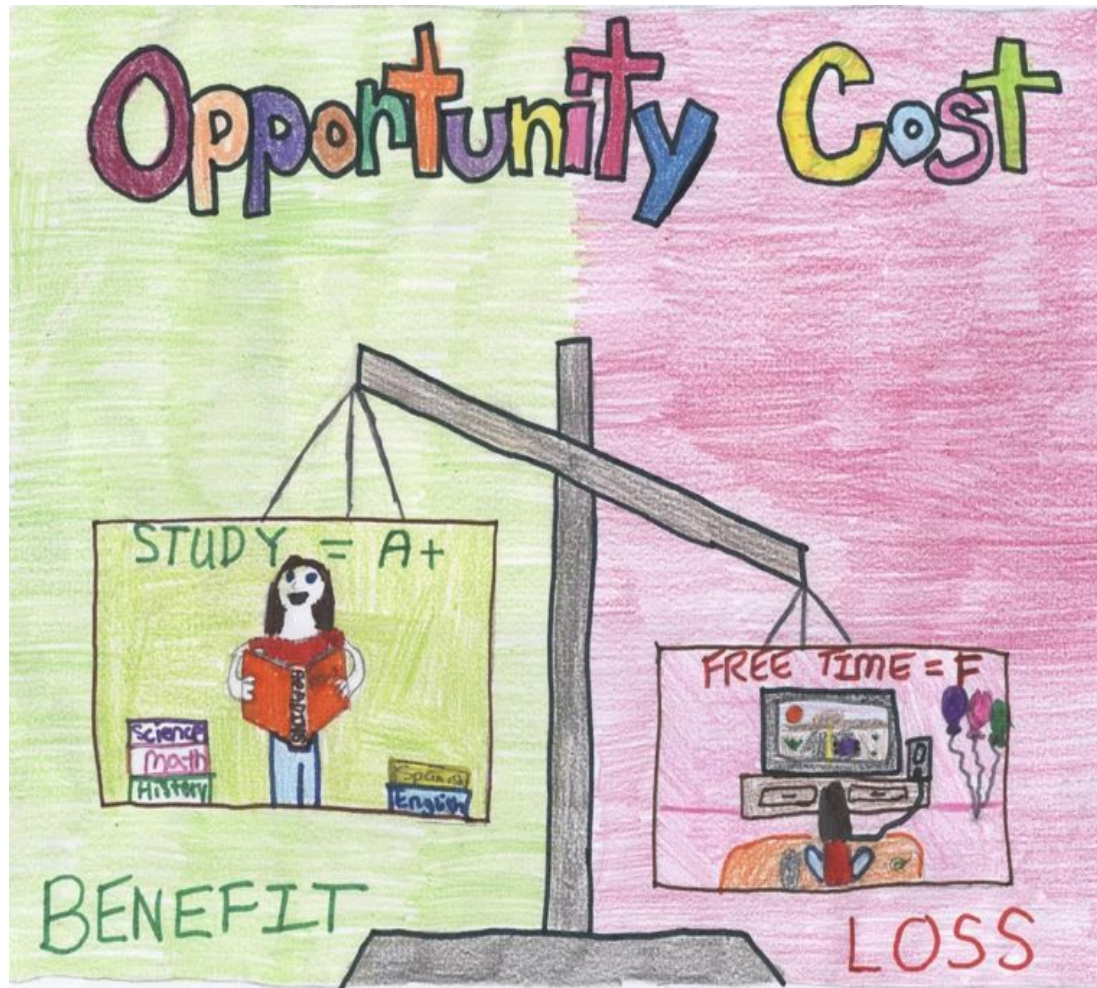
Incomes that the four factors of production give us. Land, labor, capital, and enterprise give us rent, wages, interest, and profit respectively.

<p>Land Gives Us</p>  <p>Rent</p>	FACTOR INCOME	<p>Labor Gives Us</p>  <p>Wages</p>
<p>Capital Gives Us</p>  <p>Interest</p>		<p>Enterprise Gives Us</p>  <p>Profit</p>



# Opportunity Costs....or....Trade Offs are...

...a benefit, profit, or value of something that must be given up to acquire or achieve something else.

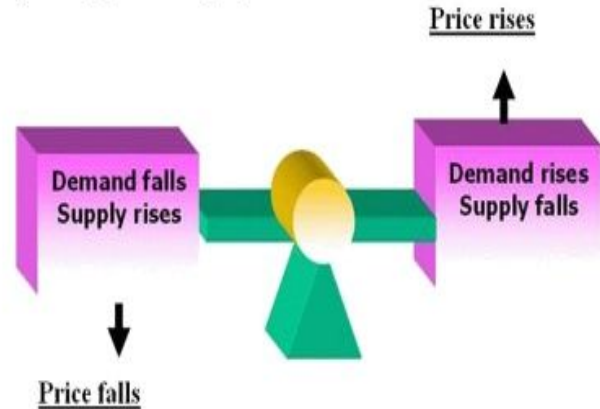


# The Law of Supply and Demand

The supply (how much of it is available) of a commodity and the demand (how much people want it) will determine the price of the commodity and how much of a commodity will be produced.

## DEMAND AND SUPPLY LAW

- The price of a good or service is greatly influenced by supply and demand and will usually settle at a point where the quantity demanded by consumers will equal the quantity supplied by producers.



**Innovation is....**

**...”creating”  
new ideas,  
methods,  
products,  
etc.**



## The Rebound Effect is ...

**...when things become more efficient, but the good consequences of this are lost because people then use these things more.**

