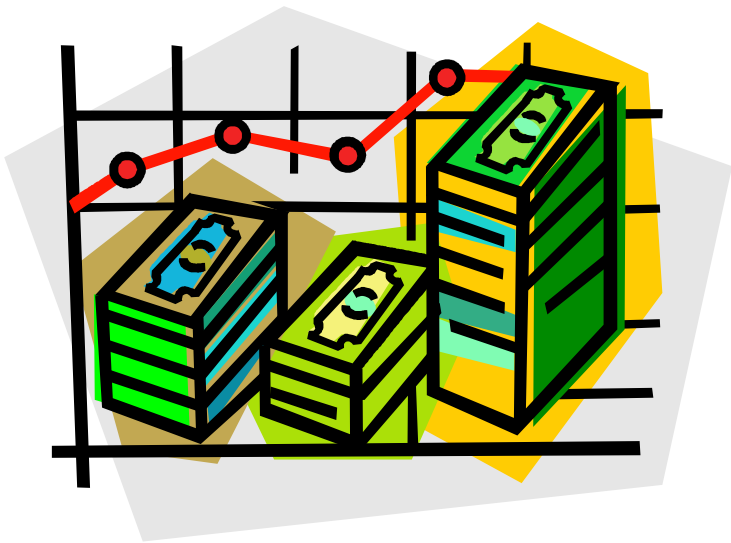


*Unit 1*

# ECONOMIC BASICS AND SYSTEMS



*Day 1* — What  
is Economics?

# Objectives

- ▶ **Define Economics** and discuss how the economy relates to our lives
- ▶ Identify the big **Three Questions of Economics**

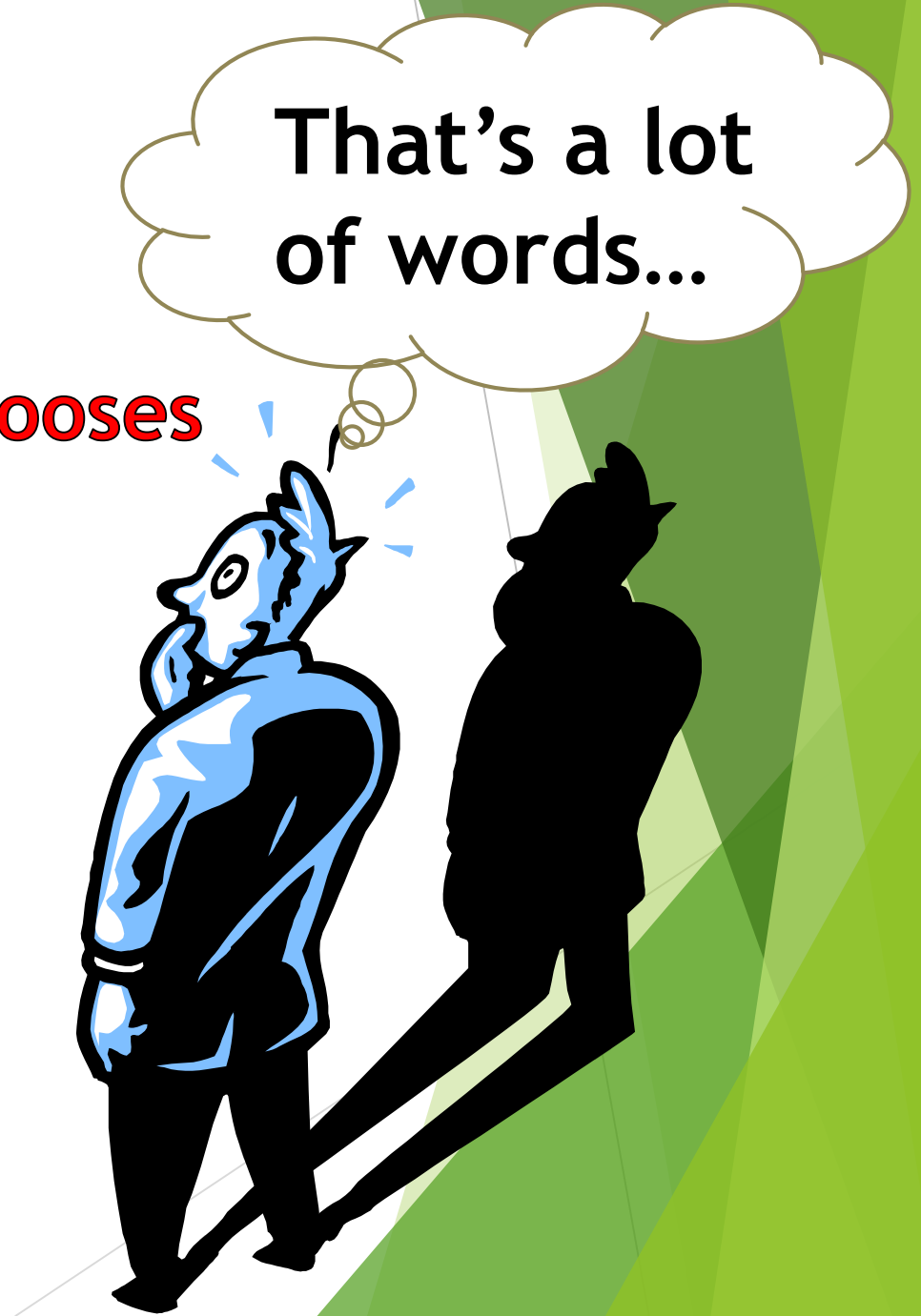
## ▶ *Terms:*

- ▶ **Economics**
- ▶ **“Goods & Services”**
- ▶ **Goods**
- ▶ **Services**
- ▶ **Resources**
- ▶ **Consume / Consumer**

**What is  
Economics?**

# Economics...

- ▶ Social Science
- ▶ Concerned with the way society chooses
- ▶ To employ its limited resources
- ▶ Which have alternative uses
- ▶ To produce goods and services
- ▶ For present and future
- ▶ Consumption



# Economics...

- ▶
- ▶
- ▶ **To use**
- ▶
- ▶ **To produce goods and services**
- ▶ **For**
- ▶ **Consumption**

**how society chooses  
resources**





# Say we all live on an island...

- ▶ If you're alone, how do you survive?
- ▶ If there are other people, what might we do?
  - ▶ *(no, this isn't Lost).*
- ▶ If we DON'T want to spend all day gathering coconuts, working on our shelter, etc....
- ▶ How about coconut people, fishing people, water people, hut people, waste disposal, etc....
- ▶ And thus, the basics of economics is formed.



# Economics answers 3 Questions...

▶ **WHAT** will be produced

▶ **HOW** will it be produced

▶ **WHO** will it be produced for

*Write those down ☺*

# WHAT will be produced?

## ▶ “Goods and Services”

▶ Efforts to meet peoples’ wants and needs

## ▶ Goods

▶ Items that can be seen and touched

▶ *Pencils, Books, Weapons, Creepy Elmo Dolls*

## ▶ Services

▶ Tasks performed

▶ *Doctors, Teachers, Mechanics*





# HOW will it be produced?

## ► Resources

- Anything used to produce goods and services

- *Must be Land, Supplies, Raw Materials, but also Education*

- *More on these later*

- *Are resources unlimited?*

- Resources must be limited ( you can gain more )

- *Question: Is “Time” a resource?*

# WHO will it be produced for?

## ► Consumers

► A person who acquires goods and services for their own use

► *When you buy a burger at McDonalds*

## ► Consume

► Using up of goods and services

► *When you demolish that burger*



# And, in a nutshell, that's Economics

- ▶ *It's all about getting what we want and need, and the people who get it to us, along with how they do it.*
- ▶ *Yes, money is a big part of that, but it has a purpose and a definition as well.*
- ▶ *And also, remember, while it may seem boring at times, learning Economics could be much worse...*



# Objectives

- ▶ **Define Economics** and discuss how the economy relates to our lives
- ▶ Identify the big **Three Questions of Economics**

## ▶ *Terms:*

- ▶ **Economics**
- ▶ **G & S**
- ▶ **Goods**
- ▶ **Services**
- ▶ **Resources**
- ▶ **Consume / Consumer**