

*Unit 1*

# ECONOMIC BASICS AND SYSTEMS



*Day 1 — What  
is Economics?*

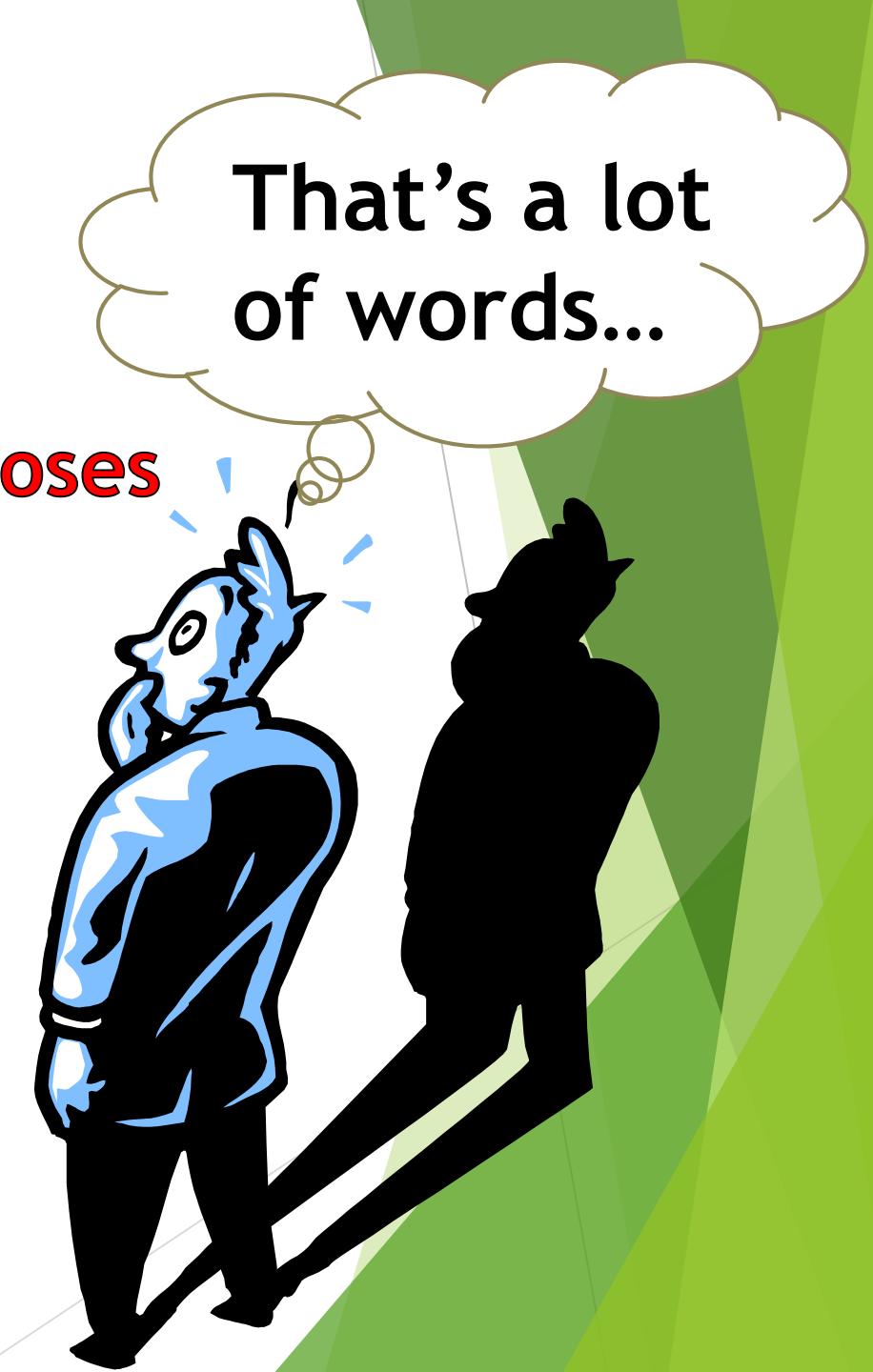
# Objectives

- ▶ **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...

- ▶ how society chooses resources
- ▶ To use
- ▶ To produce goods and services
- ▶ For
- ▶ Consumption



# 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...*



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