

Introduction to Economics

Economics

Description and analysis of production, distribution, and consumption of goods and services

Goods and Services

- Goods are items you buy
- Services are actions you pay for

Goods and Services



Good or service?

- Hair cut
- Teacher / Lawyer / Doctor
- Books
- Computer
- Car repair

Consumption

Using a resource



Supply and Demand

Supply- how much of something there is

Demand- how much of something people want

Supply



Demand



Supply



Demand



Resource

Something a person/organization/country has to increase their wealth

Types of Economies

Market

- A situation in which the citizens of a civilization/country participate in the economy
- Private ownership of business' by citizens
- Prices, production, etc. set by business and market demand

Command

- Government controls the economy
- Government sets prices, controls production, control the trading of goods, etc.
- Government owns business

Mixed

- Economy is guided by government and citizens
- Business' can be public or private
- Market demand can guide prices and production

Traditional

- Economy guided by customs, history, and beliefs
- Dependent on **essential needs**: agriculture, fishing, hunting, and gathering
- Barter system
- Often associated with emerging markets and rural areas