

Economics Study Guide

Things that occur in *nature* such as land, water, rocks, oil, iron, coal, plants, animals, etc. are natural resources.



People who work in jobs and do labor *to earn money* are called human resources.



Things made by people to make other things and may also be used to do work are called capital resources.



Some examples of service workers are lawyers, doctors, and teachers. Some examples of services are trash collection, police protection, firefighting, libraries, and public schools.

Mali used human resources (people) and capital resources (tools) to mine gold (natural resource).

Some of the Ancient Greeks *focused* on making beautiful pottery. This is an example of specialization.

Ancient Rome focused on building roads, farming and trading. Their *focus* on a particular product or service is called economic specialization.

Virginia's *expertise* in shipbuilding is an example of specialization.

When you make a choice between two things, you lose the chance to do one of them. This loss is called opportunity cost. (*the one you did not pick*)

Examples:

1. You have the choice to go to the park or to the grocery store. You choose the park. The opportunity cost is the grocery store.
2. You have money to spend at the store. You can afford either ice cream or a soda . If you choose the ice cream, the soda becomes the opportunity cost.

DIRECTIONS: Be able to fill in any missing blanks from the economic choice chart below.

Choices	Choices Made	Choices Given Up (opportunity cost)
Pizza or tacos	Tacos	Pizza
Playing baseball or playing soccer	Playing soccer	Playing baseball
Spend now or save for the future	Spend now	Save for the future

People make economic choices because they cannot have everything they want.

People who *buy* the goods and services offered by producers are consumers.



People who use resources to *make goods and/or provide services* are producers.



The Egyptians needed different foods from Ancient Greece and Rome, so they would *trade* goods for it. This is an example of interdependence.

Mali *traded* gold for salt with other countries; this is an example of interdependence.

Virginia sells its coal to other countries but *depends* on other countries for oil. This is an example of interdependence.

A DVD player is an example of a want and clothing is an example of a need.