



Choose a product you would like to produce.

PRODUCT NAME: _____

Brief description of product

(What does it do? What is it used for? Who will want to buy it?)

How are you going to produce that product?

FACTORS of PRODUCTION	
<p>Land</p> <ul style="list-style-type: none"> • What land or natural resources will you need? 	
<p>Labor</p> <ul style="list-style-type: none"> • Describe what your workers will do—what different jobs are necessary to produce your product? 	
<p>Capital</p> <ul style="list-style-type: none"> • Do you need financial capital (money/investment) to start production? • What buildings, machinery, trucks, technology do you need? 	
<p>Entrepreneurship</p> <ul style="list-style-type: none"> • Who will be the brains behind the business? • What is your plan for managing the business so that you remain productive? 	

NOTES Goal 7

→ Production Basics

- **Production:** Creation of _____
- **Productivity:** how much a business _____ of each good or service per each _____ employed.
 - **EX: Productivity comparison** → **Which McDonalds would you want to own, A or B? Why?**
- **Efficiency:** how much does _____ to produce each good or service
 - Ex: **Efficiency Comparison** → **Which McDonalds do you want to own, A or B? Why?**

→ **Productivity and Efficiency:**

- Producers want to maximize their productivity and efficiency in order to make a larger _____
 - So, you want to get the _____ out of every _____ and resource you can.
 - We know a business is _____ when the cost of producing a resource is _____ more than the _____.

→ **4 Factors of Production**

- ALL _____ FACTORS MUST BE PRESENT TO PRODUCE ANY GOOD/SERVICE!

1. _____, 2. _____, 3. _____, 4. _____

1. LAND

- Adds _____ necessary for production these are renewable and nonrenewable resources
 - _____: trees, oxygen, _____
 - _____: gold, oil, coal, gas

ANSWER: What is the difference between a renewable and nonrenewable resource?

2. LABOR (_____)

- Labor is the nation's workforce or _____. Sometimes it is called _____.
- It includes the _____ and _____ talents of the people who help _____ goods and services.
- Factors such as population growth, education, _____ and war affect the quantity and _____ of labor.

ANSWER: How can you increase the productivity of your labor source?

3. CAPITAL

- Capital, or _____, includes the _____, _____, and _____ used to make other products.
- _____ is the money that goes into a new business
- Consumer goods satisfy wants _____; capital goods do so _____ by aiding production of consumer goods.

ANSWER: What is the difference between capital goods and consumer goods?

4. ENTREPRENEURS

- Entrepreneurs are individuals who start _____, introduce _____, create _____ and improve _____ techniques.
- They are innovative and willing to take _____.
- _____: Entrepreneurs drive the economy because they use factors of production to produce new products and _____.