**Chapter 1**

**Economic Decisions and Systems**

1. Satisfying Needs and Wants
2. Needs and Wants
3. Needs –

a**.**

b.

2. Wants –

3.

B. Goods and Services

1. Goods –

2. Services –

C. Goods and Services for Businesses and Consumers

1.

2.

D. The U.S. Economy

1.

2.

E. Economic Resources (Factors of Production) –

1. *Natural Resources –*

2. *Human Resources* –

a. *Entrepreneur* –

3. *Capital Resources* –

F. Resources are Limited!

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1. Economic Choices
2. The Basic Economic Problem is Scarcity –
3. Scarcity forces you to make choices
4. Economic Decision Making –
5. Trade-offs and Opportunity Costs
6. Trade-Off –
7. Opportunity Cost –

Decision Making Process

1. Define the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Identify the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Evaluate the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of each choice
4. Choose the \_\_\_\_\_\_\_\_\_\_\_\_ alternative
5. Act on Your \_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ your decision

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1. Economic Systems
2. The 3 Basic Economic Questions Every Country Must Answer

1.

2.

3.

B. Types of Economic Systems

1. Command Economy –

2. Market Economy –

a. *Marketplace* –

3. Traditional Economy –

4. Mixed Economy –

C. The U.S. Economic System

1. Capitalism –

2. Other names for our system *Free Enterprise* or *Private Enterprise*

D. The U.S. Economic System is based on 4 principles

1. Private Property –

2. Freedom of Choice –

1. Profit –
2. Competition –

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1. Supply and Demand
2. Participating in a Market Economy
3. Consumer –
4. Producers –
5. Consumers set Demand – the quantity of a good or service that consumers are willing and able to buy
6. *Demand Curve* –
7. Producers Establish Supply – the quantity of a good or service that businesses are willing and able to provide.
8. *Supply Curve* –
9. Factors Affecting Demand

1.

2.

E. Factors Affecting Supply

1. *Competitors* –

2. Natural Disasters

3. Wars

F. Market Price –

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