**Economic Basics**

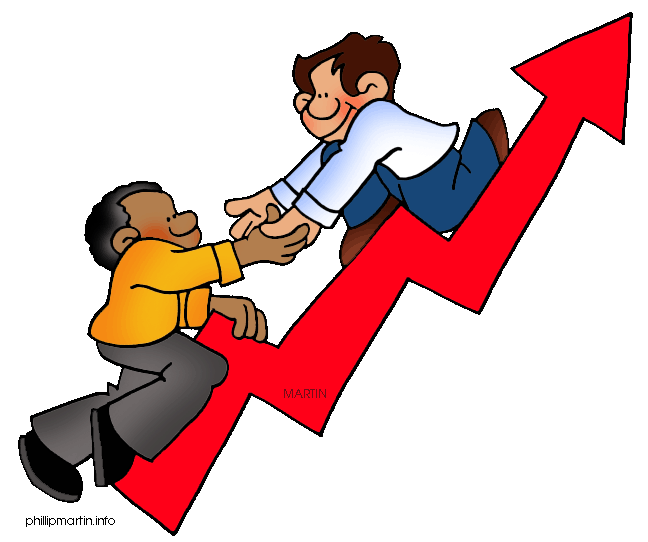
**What is a business?**

* Afor-profit business \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

to satisfy the needs, wants, and demands of consumers for the purpose of a making profit.

* Anon-profit and/or not-for-profit organization \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[](http://www.google.ca/url?sa=i&rct=j&q=business+clip+art&source=images&cd=&cad=rja&docid=69Zs3mtIAzbudM&tbnid=dBtd2y_vwrjFlM:&ved=0CAUQjRw&url=http://business.phillipmartin.info/business_human_resources.htm&ei=vHoOUc-yJ9Kr0AGI64GgBg&bvm=bv.41867550,d.dmQ&psig=AFQjCNHzN-ItT5IBtXFyytfPOVEfw6S_1A&ust=1359989816372970)**For-profit Business**

* By supplying goods and services, a business can make a profit.
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_** is the income left after all costs and expenses are paid.
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_**are the payments involved in running a business and the assets that get “used up” operating it.
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_**is the money required to produce or provide the goods and services.
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**When a business makes a profit, it can**

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* The business is considered \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ when debts are paid and financial obligations are met.

**Non-profit Organizations and Not-for-profit Organizations**

* The primary motive of a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is to raise funds for a specific goal. Only charities and charitable organizations are called non-profit and are allowed to raise such funds.
* A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ uses any surplus funds to improve the services offered to its members. However, they do not distribute profits to members.
* A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**,** unlike a not-for-profit organization, consists of an independent association of persons who join together to meet economic, social, and cultural needs and goals.

**Large or Small**

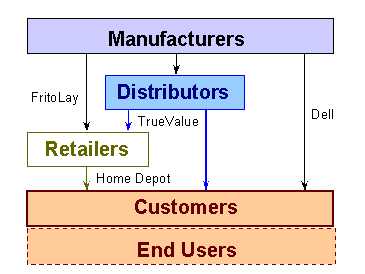
A small or medium-sized business (SMB) can be classified by the following characteristics:

* + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Forms of business ownership:**

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[](http://www.google.ca/url?sa=i&source=images&cd=&cad=rja&docid=A-DU7wA-Z1exZM&tbnid=MSRxJdyLYJT9HM:&ved=0CAgQjRwwADhE&url=http://www.canada2012.coop/en/partners_in_2012/index&ei=gYwOUbufCuHL0AH8uYGYCg&psig=AFQjCNGNWZOplNK_qvqxadv6PTIo_QB2uQ&ust=1359994369201415)

**Channels of Distribution**

* A business can be classified according to how it \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ goods or services to the customer.

**Role of the Consumer**

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** are the businesses that make goods or provide services that consumers need or want.
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** are the people who purchase goods and services from producers.
* A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or location is where producers and consumers come together to buy and sell their goods and services.

[](http://www.google.ca/url?sa=i&rct=j&q=entrepreurial+characteristics&source=images&cd=&cad=rja&docid=95VbXojI1YnwiM&tbnid=rC4OYG3H0AQejM:&ved=0CAUQjRw&url=http://www.econedlink.org/lessons/projector.php?lid=330&type=educator&ei=eHsOUaGlGcu90QHGmIDIDA&bvm=bv.41867550,d.dmQ&psig=AFQjCNEhu68Jz_Q7VGZ14Nafscubf_ZYBg&ust=1359989996142863)**Characteristics of Entrepreneurs**

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** are individuals who are risk-takers and problem-solvers. They are acutely aware of opportunities in the marketplace and take advantage of these in their businesses.
* Important entrepreneurial characteristics include:
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
  + **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Consumer Needs and Wants**

* Entrepreneurs often start businesses to satisfy consumer \_\_\_\_\_\_\_\_\_\_\_\_\_\_**.** Basic survival needs for individuals are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. However, entrepreneurs can also provide consumers with new products or services that are not considered a need but a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_— something that adds comfort or pleasure to their lives.

Examples of wants include \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Attracting Consumer Interest**

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

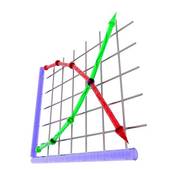
**Economic resources**

* Economic resources also known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, are the means through which goods and services are made available to consumers.

|  |  |  |
| --- | --- | --- |
| **NATURAL**  http://nativeamericans.phillipmartin.info/na_pnw_salmon.gif**RESOURCES** | **HUMAN**  **RESOURCES**  http://graphics8.nytimes.com/images/section/jobs/200703/clipart/manufacturing-production-operations-jobs.jpg | **CAPITAL**  http://www.clker.com/cliparts/b/d/8/3/11949851581910130043truck_jarno_vasamaa1.svg.hi.png**RESOURCES** |
| **Definition:** | **Definition:** | **Definition:** |
| **Examples:** | **Examples:** | **Examples:** |

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** are a way of dealing with the selection, production, distribution, and consumption of goods and services. Government and business work together to foster activity and growth in the marketplace.

**Demand, Supply and Price**

* [](http://www.google.ca/url?sa=i&rct=j&q=supply+and+demand+clip+art&source=images&cd=&cad=rja&docid=-400vgzD_-A9EM&tbnid=jO1zgQrbdFmA7M:&ved=0CAUQjRw&url=http://www.gograph.com/stock-illustration/supply-and-demand.html&ei=0nsOUeXIJ8mC0QHb6IDoCA&bvm=bv.41867550,d.dmQ&psig=AFQjCNFEFTdlFmX7Mt_2wWFRuOdmMhtLAw&ust=1359990068137110)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the quantity of a good or service that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are willing and able to buy at a particular price.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the quantity of a good or service that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_are willing and able to provide within a range of prices that people would be willing to pay.
* When prices \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ consumers buy more and demand goes \_\_\_\_\_\_\_\_.
* When prices \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ consumers buy less and demand goes \_\_\_\_\_\_\_\_\_\_.
* Conditions that create demand are:
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_