

**Remind: @phuecon20**  
**Instagram: @phueconomics**

# **Welcome back to Economics Club!**

**10/7/2020 General Meeting**

# Welcome Back to Economics Club!

1. National Economics Challenge!
2. Econ Lessons
3. Games (Kahoots, Jeopardy, etc.)
4. Casual Research
5. Guest Speakers
6. Books

General meetings are every other week from **2:30 until 3-3:30**.

Remind Join Code: @phuecon20 or text @phuecon20 to 81010 to join!

Teams Code: iscj7za or use the QR code on our flyer.

# What is Economics?

Economics is the study of:

- Scarcity & Choice
- How people use resources
- Decision-making

Economics is applicable everywhere, whether it's worldwide, nationwide, statewide, in a business, or in a family!

# What are the 3 basic economic questions?

- What will be produced?
- How to produce?
- For whom to produce?
  - These are the guiding questions of economics, and are always kept in mind when businesses / countries make decisions!

# Goods and Services

- Goods are physical items that satisfy the wants of buyers.
  - Muffins, textbooks, laptops.
  - Goods are tangible - things that you can touch!
- Services are non physical items that satisfy the wants of buyers.
  - Haircuts, medical examinations, dining services.
  - These are intangible - you cannot "touch" services!

# Types of Resources

- **Land:** All natural resources such as water, trees, and soil.
- **Labor:** Labor includes the workers that are needed to produce goods and services.
- **Capital:** Capital includes the machinery that is needed to produce goods and services.
  - Papers are printed using a printing machine - the printing machine is capital. Other examples of capital include tractors, laptops, and factory buildings.
- **Entrepreneurship:** The person who puts land, labor, and capital to use is known as an entrepreneur. Entrepreneurs take risks that combine the previous three resources: land, labor, and capital.

# Private v. Public goods

- Private goods - excludable and rival
  - Excludable: producers can prevent other people from consuming the good or service based on their ability or willingness to pay.
  - Rivalrous: one person's consumption of a product reduces the amount available for consumption by other people.
  - Ex: Cars, food
- Public goods - non-excludable and non-rivalrous
  - Ex. National defense, law enforcement
  - Ex. Access to clean air and drinking water

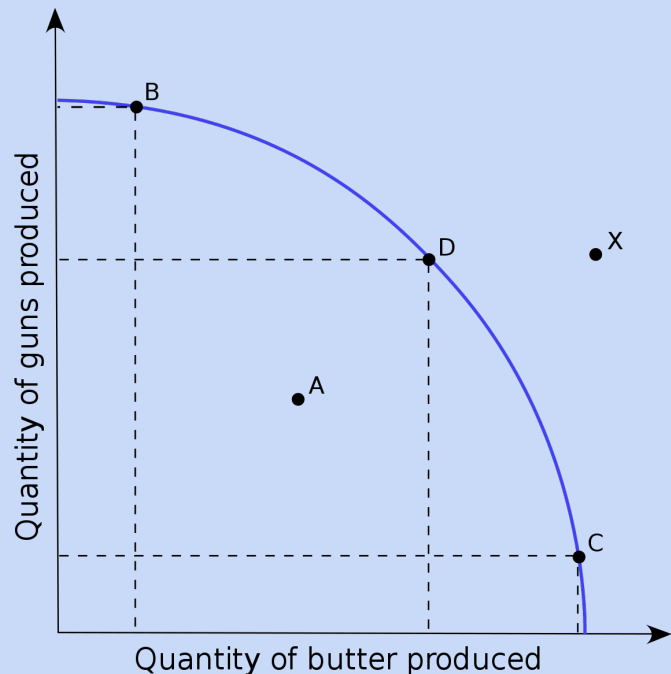
# Opportunity Cost

- **Opportunity cost**- the value of the next best alternative (the next best thing you give up when making a decision).
- Scarcity forces us to make decisions, resulting in an opportunity cost.
- Opportunity cost IS NOT ABOUT MONEY - it is the value of something!
  - Ex. #1 -> You chose to take a nap instead of watching TV, making the time you lost on watching TV an opportunity cost.
  - Ex. #2 -> You had 3 choices: ice cream, a popsicle, and a brownie, and you decide to get the ice cream. However, your next choice would have been a popsicle. Therefore, the POPSICLE is your opportunity cost, not both the popsicle and the brownie! :)



# Production Possibilities Curve (aka PPC / PPF)

- The PPC is a graphic representation of the production relationship between 2 goods.
- Shows the maximum amount that can potentially be produced by one nation or producer at a given time.
- Concave PPC = increasing opp. cost
- Diagonal PPC = constant opp. cost
- Horizontal PPC = good B is free (in this case quantity of butter)
- Vertical PPC = good A is free (in this case quantity of guns)
- As the factors of production increase, so does the PPC, resulting in economic growth.



Thank you for coming!

Questions?

Suggestions?

Comments?

Concerns?

Website: [phuhseconomics.weebly.com](http://phuhseconomics.weebly.com)

BE SURE TO JOIN OUR REMIND!!!  
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NEXT MEETING: 10/21/2020 via Teams