

Vocabulary

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Study the vocabulary words and definitions below.

capital goods used to produce other goods and services; it can also mean *financial capital* or money *Examples:* tools, machinery, buildings, money

capital goods goods used to make or transport other goods and services *Examples:* tools; machinery; factories; facilities for storing, transporting, and selling goods

consumer an individual who buys and uses goods and services

consumer goods goods used for personal needs and wants

Examples: clothing, food, appliances, automobiles

demand the amount of goods or services that consumers are willing and able to buy at a given price

durable goods goods that are not used up and do not quickly wear out after they are purchased *Examples:* automobiles, appliances, furniture

economic rent payment that people receive for the use of resources that they own or control

economics the study of people trying to satisfy their wants in a world of scarcity

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efficient getting the job done with the least amount of effort; producing the most with the least amount of resources

entrepreneur an individual who creates something new and earns a profit by combining land, labor, and capital resources to produce goods and services

entrepreneurship special talent some people have for searching out new business opportunities and developing new products and new ways of doing things

financial capital money used to buy factors of production
Examples: tools, machinery, buildings

goods items that can be bought or sold that are tangible (you can actually hold them in your hands) and provide satisfaction; sometimes referred to as products

labor human effort, both mental and physical, that goes into the making of goods and services

land the geographic territory and natural resources that go into the making of goods and services *Examples:* fields, forests, minerals, water

necessity goods or services considered essential to a person's well-being; a need

needs goods and services that are necessities
Examples: food, clothing, shelter, medical care

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nondurable goods goods that are used up or quickly wear out after they are purchased *Examples:* gasoline, food, clothing

opportunity cost whatever is given up to get something in return

resources anything used to produce goods and services; also known as factors of production or productive resources *Examples:* land (minerals, timber, rivers); labor (blue collar, white collar); capital (machinery, buildings); and some economists consider entrepreneurship (special personal talent for finding and creating new business opportunities) a resource

scarcity limited resources for production in relation to wants for goods and services

services activities performed for others for money; things that people want done for them but are unwilling or unable to do for themselves *Examples:* teaching, selling

supply the amount of goods or services that consumers are willing and able to produce at a given price

trade-off giving up one thing to gain another when economic goals are in conflict

wants goods and services that a consumer may desire or want to buy but that are not necessities