

Economy

economy	the system for producing, consuming, and distributing goods and services
producers	owners and workers
goods	products
services	producers perform
levels of industries	<p><u>primary</u>- taking natural resources</p> <p><u>secondary</u>- making something out of natural resources</p> <p><u>tertiary</u>- providing a good or service</p> <p><u>quaternary</u>- research, gathering information</p>
factors of production	the ingredients or elements needed for production to occur
natural resources	raw materials
capital resources	money, machinery, buildings, etc...
labor resources	workers
scarcity	lack of resources or a very small supply
supply and demand	Supply is the amount available; demand is how much or how little the supply is wanted. Pricing is determined by supply and demand.
traditional economy	<p>economy based on custom and tradition</p> <p>Example: The barter system in Africa</p>
command economy	<p>an economy in which the government owns most of the industries and makes most of the economic decisions (communism)</p> <p>Example: former Soviet Union</p>
communism	an economic and political system in which the government owns all businesses and controls the economy (command economy)
market economy	<p>an economic system in which individuals decide what goods and services they will buy (free enterprise system)</p> <p>Example: The United States</p>
free enterprise	an economic system in which people, not government, decide what to make, sell, or buy (market economy)
capitalism	an economic system in which individuals and private businesses run most industries (free enterprise)

entrepreneurs

people who start businesses in a free enterprise system

Industrialized Nation

countries with high levels of education, good health care, good services, advanced technology and decent salaries

Developing Nation

countries a with low level of development marked by few jobs in industry, poor services, low literacy rates, and low life expectancy

Summary: