Cheatography

The Basic Economic Problem- igcse eco Cheat Sheet by AJstudies via cheatography.com/195056/cs/40782/

The Nature of the Economic Problem

The Economic Problem:

unlimited wants exceeding finite resources.

Scarcity occurs when there are not enough resources to satisfy the wants of the people. Over a period of time wants continue to grow and change.

Economic Goods are goods that require resources to produce and therefore has an opportunity

Free Goods are goods that are in unlimited in resources and do not require any resources to make it so therefore do not have an opportunity cost. Ex: sunlight.

Factors of Production

Factors of Production: These are the economic resources of capital, enterprise, land and labour [C.E.L.L]

Land: gifts of nature available for produc-Land is occupationally mobile but

geographically

Capital: Humanmade goods used in production.

immobile. There is risk that can be turned into non renewable and over consumed. The quality of land

renewable resources resources if exploited can be improved by taking care of the environment.



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