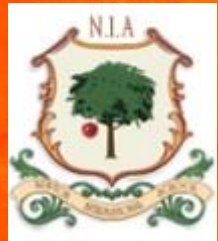




Chapter 16

SdP

The factors of production and productivity



Learning Objectives

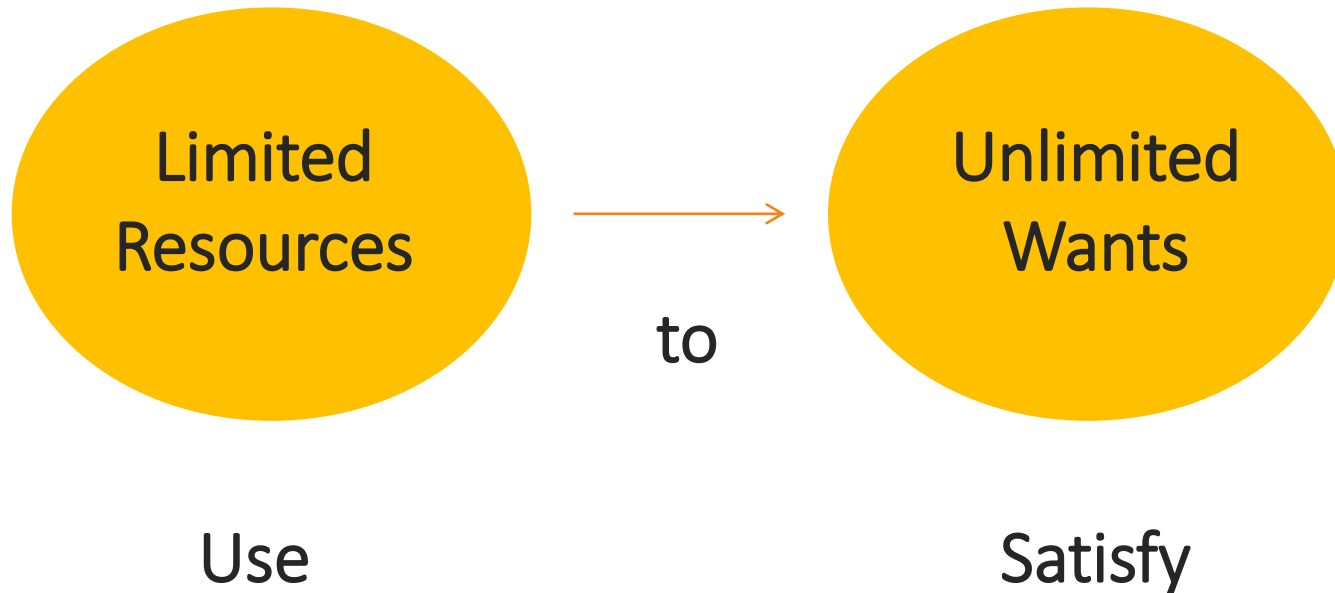
What is production
What is "factors of production"
How to improve the four factors of production



Four factors of production

- Land
- Labour
- Capital
- Entrepreneur

Central theme of Economics



Resources?

Are going to
be used to
produce
something...



Resources?

What do you need
to offer a
wonderful cup of
coffee?



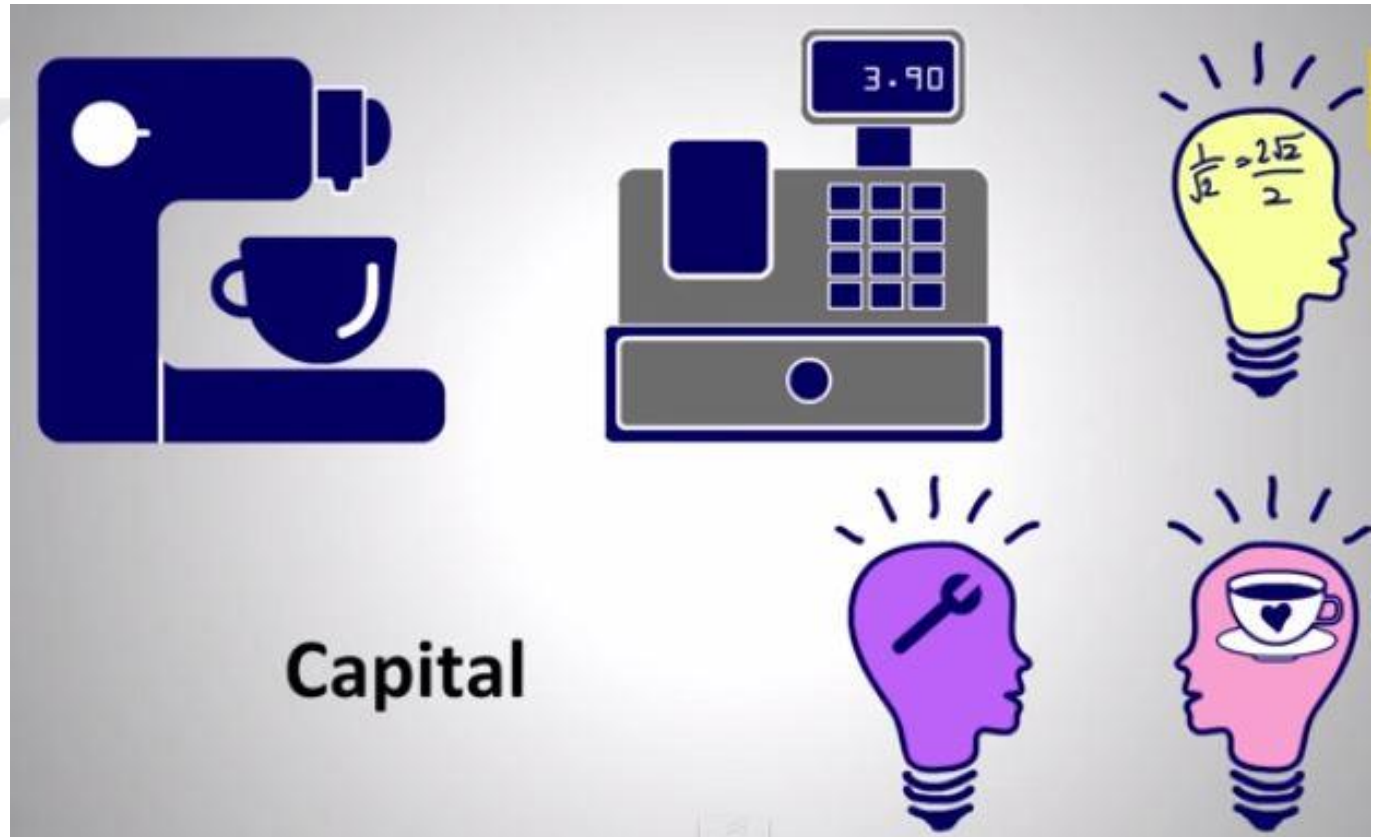
Chapter 16 – The factors of production and productivity

Resources?



Resources?

Physical
and
human
capital



Chapter 16 – The factors of production and productivity

Resources?



Resources?



Is money considered capital?

Resources?



Can money
itself help you
to produce
anything?

Resources?



So it's not
considered as a
type of
resource!!

Resources?



Money is an expression of value. With it is easy to exchange goods and services. Money serves as a lubricant of the economy.

Resources?

Who's going to bring all this resources together?

Who's going to organize this resources together and make it a productive enterprise?

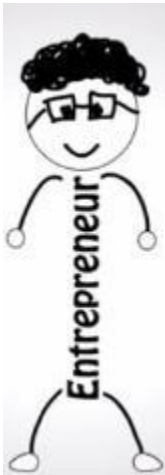
Chapter 16 – The factors of production and productivity

Resources?

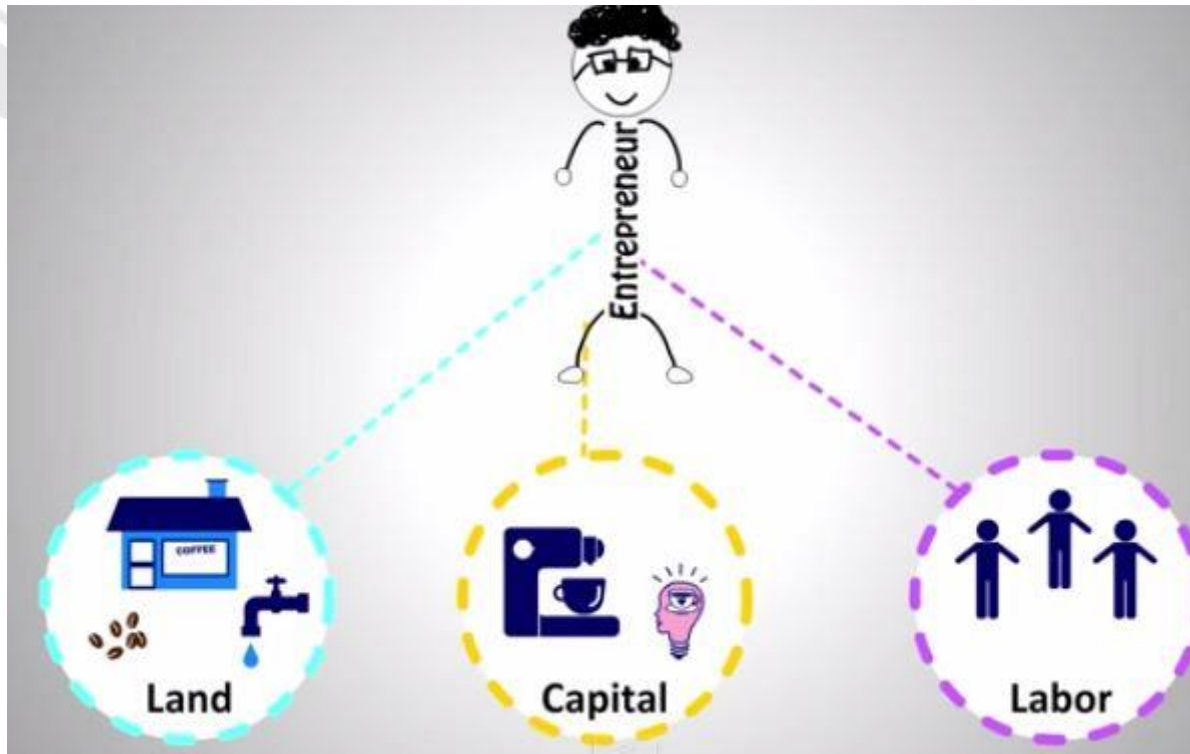


Resources?

- ❖ They come up with business idea;
- ❖ They are business owners;
- ❖ Entrepreneurs are risk takers;
- ❖ They are responsible for organising the other three factors of production.



Four factors of production





Team work

New York City's mayor Michael Bloomberg is trying to encourage smaller businesses to build up the economy in the wake of the corporate US meltdown.

His initiative involves providing resources for individuals with small amounts of cash but big ideas.

As part of the BBC's Aftershock season, Philippa Thomas talked to three start-up entrepreneurs in New York City.



Homework

SUMMARIZE:

Chapter 16 – The factors of production and productivity

in your exercise book...



Team work

Following the video, divide the class in small groups (2/3 students).

After, give each group one of the four factors of production. Each group must make a list of ways which their factor of production could be improved, either by increasing the quantity or the quality.

Task: how to improve the **four** factors of production?