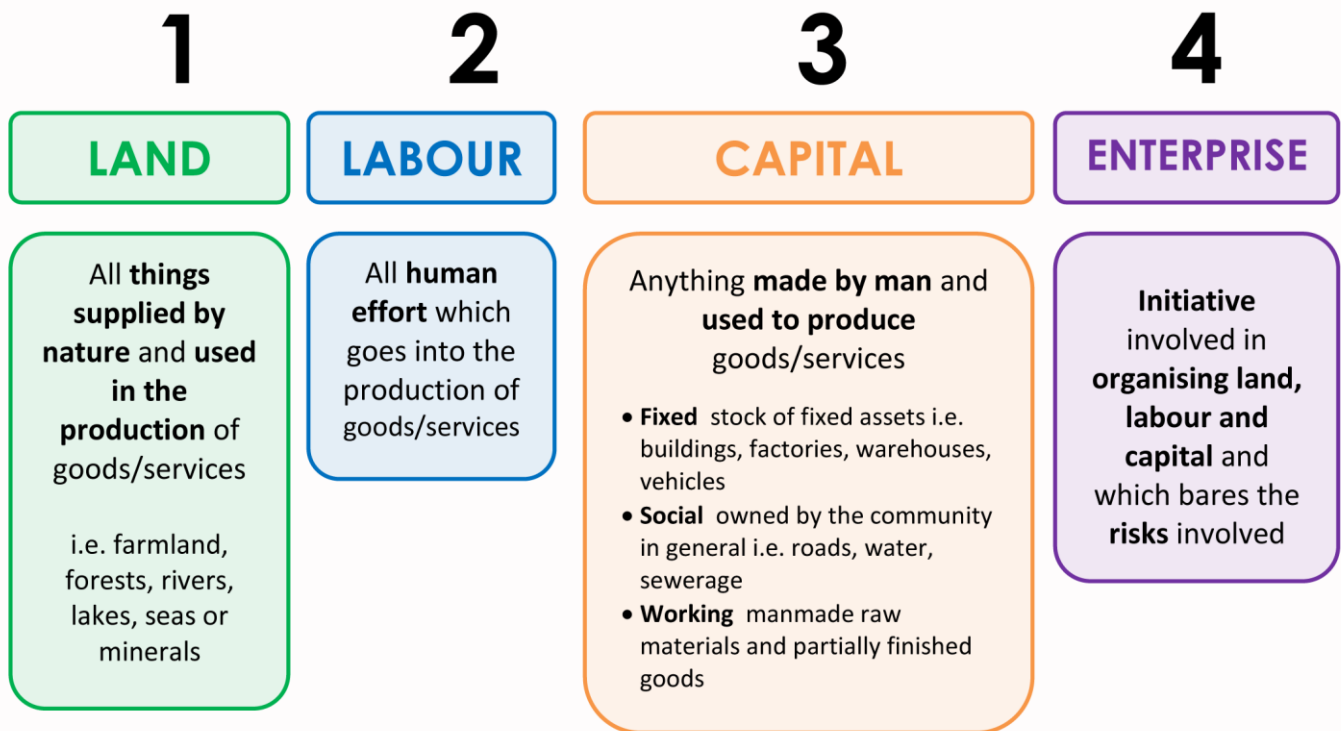


# 1. The Factors of Production (FOPs) and Economic Resources

Factors of production are the resources of **LAND**, **LABOUR**, **CAPITAL** and **ENTERPRISE** used to produce goods and services



The production of every good/service requires a certain combination of each **FOP**

Goods and services are produced (**supply**) to satisfy what people want (**demand**)

The interaction of **demand** and **supply** determines the **price (P)** people pay

## 2 Economic Fields

### Microeconomics

(The Detail)

Its all about...**FIRMS/INDIVIDUALS**

The study of the behaviour and decisions of individuals and businesses in markets across the economy

#### Key Terms

Demand, Supply, Price Discrimination, Elasticity of Demand, Producer, Consumer, Market Equilibrium, Market Structure

### Macroeconomics

(The General Picture)

Its all about the...wider **ECONOMY**

Deals with the structure, behaviour and changes in the wider economy at national, regional or global level

#### Key Terms

GDP, Interest Rates, Unemployment, National Income, Inflation, Exchange Rates, Fiscal/Monetary Policy