Factors of Production

- Defined: the resources used to produce goods and services
- 3 types: land, labor, capital
- CAPITAL - man-made resources used to produce other resources
  - 2 types of capital: physical, human
- LAND - natural resources used to produce other resources
- LABOR - effort people expend to tasks for which they are paid
- Entrepreneurs - use the Factors to create goods and services
Physical Capital- school building is used to produce the service of education
Human Capital - teacher training session
land- school cafeteria uses natural resources such as beef
Labor - school teacher
Aren’t both of these Land?
Land or Physical Capital?

- Land is a NATURAL resource
- Physical capital is a MAN-MADE resource
Aren’t both of these labor?
Labor or Human capital?

• Labor is the **effort** to produce a good or service
• H.C. is **skills** or **knowledge**
Assignment

• find a picture of each Factor (Land, Labor, 2 types of Capital for 4 pics total) present it to class and **briefly explain why** each picture represents that factor

• Use Word
  – Pictures and titles only
  – If you need a script do that on a different document

• You may work with one other student

• DUE: Tomorrow
Factors of Production
Assignment

- find a picture of each Factor (Land, Labor, 2 types of Capital for 4 pics total) present it to class and briefly explain why each picture represents that factor
- Use Word and print it out
  - Pictures and titles only
  - If you need a script do that on a different document
- You may work with one other student