

Name _____ Date _____

What is Economics?

"What is economics?" you might ask. **Economics** is the study of how we produce and distribute our wealth. In other words, economics is money and what we do with it! Goods and services are the products that satisfy our needs and wants. A **good** is any item that can be bought or sold. A **service** is any action that one person or group does for another in exchange for payment.

A **resource** is anything used to produce a good or service that can be used to satisfy desires. Resources are what we use to produce our goods and services. **Production** is the process of changing the raw materials of the resource into some economic good or service that can be used to satisfy desires.

Some resources are **plentiful**, and some resources are **scarce**. Oxygen is a relatively plentiful resource, and silver is a relatively scarce resource. Some resources are renewable, and some are nonrenewable. A **renewable resource** is one that can be replaced, either naturally or by man. A **nonrenewable resource** is one that cannot be replaced in a timely manner or at all by nature or by man.

Complete the following chart by filling in resources. Check whether each resource you listed is plentiful or scarce, renewable or nonrenewable.

Resource	Plentiful	Scarce	Renewable	Nonrenewable